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Indian Finance Year-Book

1938

ANNUAL SUPPLEMENT TO
"INDIAN FINANCE"

Editor :
P. R. SRINIVAS

Managing Editor :
C. S. RANGASWAMI

20, BRITISH INDIAN STREET
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[Rupees Five

Indian Finance Year Book 1938

PREFACE

In the introduction to the last number of the *Year-Book,* we had anticipated to some extent some of the features of the edition which is now placed before the public.

India is, in many ways, different from what she was when the *Year-Book* was first issued more than six years ago. The Separation of Burma, the inauguration of Provincial Autonomy and the prospect of a Federation with, let us hope, a constitution acceptable to the people, naturally call for a new orientation in the purport of the *Year-Book*. We are now forced to regard Burma as a foreign country; and though in the course of her economic affairs this offshoot will for some time have to move as a satellite round India, the consequences of the disparateness must be faced. The large mass of statistics presented in the various sections of this volume has to be readjusted. This work has not proved to be as difficult as was apprehended. Though it is neither complete nor accurate, the changes which have been effected are sufficient to ensure the practical usefulness of the figures provided. Production figures exclusive of Burma are provided in the official publications. And so far as foreign trade is concerned, the figures of Burma's foreign trade for a ten year period are available in the *Burma Trade Journal,* for which we are extremely obliged to the Commerce Department of the Government of Burma. A separate article on Indo-Burmese Trade will be found in the *Year-Book* and the figures provided therein, it is hoped, will meet most of the needs of students of India's foreign trade.

The changes called for by the institution of provincial autonomy are more numerous and far reaching. Constructive thought in matters of economic amelioration of the masses has always been handicapped by the lack of adequate data, statistical or otherwise. When it is remembered that even for the whole of British India, only foreign trade was regarded for a longtime as all-important, it will be hardly surprising that information regarding the internal economic life of each province is so meagre. It is only when the popular ministry in each Province begins to tackle in all seriousness the problems which vitally concern its electorate, that one may expect a real impetus to gather the necessary information. For our part, we should be content to present the available data in a form in which they can throw light on the provincial and economic problems. It is in this view that the section "Bird's-eye View of Provincial Economy" has been expanded so as to include the Punjab and the Central Provinces. The co-ordination of such data as are available to yield a picture of provincial economy, which is definite in its outlines and main features, even if it is by no means rich in details will, we trust, be found revealing.

But it is obvious that this work can make no valuable progress, unless provincial governments are themselves alive to the need for accumulating more data and providing facilities for their compilation in a form in which they can aid the formation of a better informed public opinion on our economic problems. While many of the provincial governments have afforded us valuable help for which we are deeply beholden, we are constrained to refer in this context to a tendency in some to restrict the usual privilege of the press to newspapers and journals published within their Province. Though the *Indian Finance Year-Book* is indisputably the only one of its kind, affording a volume of reference which in most countries of the world is produced only by the State, the Government of Madras, for instance, has consistently declined to supply us the papers relating to their budget.

But grievance apart, it is time that provincial governments set about the task of gathering economic statistics which have a bearing on their own special purposes. Doubtless, there is a good deal of statistical data in the publications of the Central Government. And at the end of the survey of provincial economy we have furnished such figures as can help the understanding of the economic conditions of each province. Agricultural statistics are, as a rule, compiled on a provincial basis Figures in respect of irrigation, the area under each crop and other figures having been collected by the provincial governments naturally answer to the present purpose. But the deficiencies are more numerous. The statistics of rail and river-borne trade, which are our only means of estimating the trends of internal trade, do not facilitate an accurate appraisement of economic conditions in each province. Figures of industrial production, except in the case of cotton textiles, are on all-India basis. Though statistics of the co-operative movement give details for each province, complete information about trends in savings or capital investment or even bank deposits and life insurance in each province is lacking. It is time that a start was made about the accumulation of economic statistics in respect of each province, not of course, with a view to accentuate inter-provincial jealousies, but to get more accurate guidance for practical policy.

The 1938 *Year-Book*, like its forerunners, has been prepared under pressure of time and of resources of every kind. The ambitious plans of the early part of the year undergo an inevitable alteration when difficulties, more or less insuperable, emerge into view in the practical execution of the task. The scope that still remains for improvement is too obvious to call for mention. But we trust that the *Year-Book* will be found to do more than maintain the pace with the times.

P. R. Srinivas

Editor.

C. S. Rangaswami

Managing Editor.

CONTENTS

INTERNAL TRADE :

INDUSTRIAL SECTION: —

TRANSPORT SECTION :—

BANKING SECTION :—

INSURANCE SECTION :—

Reviews of Balance Sheets :—

POPULATION STATISTICS :—

INDEX TO ADVERTISERS

INDIAN ECONOMY IN 1937-38

The year 1937-38 saw the materialisation of the fears which the previous year foreboded at its end. It is well known that, by the end of March 1937, the revival of international trade and industry which began from the summer of 1932 and continued, though not with unbroken progress into 1937, had by the first quarter of the year over-reached itself and had definitely come to an end before the end of March. At that time, it seemed as though the break in prices was the result of causes of a more or less accidental kind and was not due to any deeper forces. Hopes were therefore entertained for a long time that the revival, which seemed to have met with an unnatural end, would be revived and that the world would see another period of active trade conditions before being confronted with a downward movement of the trade cycle. As might be expected, there were many who pointed to the elements of instability, which had arisen in world economy by the close of 1936 and uttered grave warnings against false hopes of an early or strong revival. The usual tangle of political complications and economic maladjustments served to emphasise and prolong the recession that set in by the middle of March 1937. Throughout the year 1937, it was more or less impossible to assess the relative strength of the factors making for depression and those which seemed to argue for an early revival. And the result is that to the end of the period under review, there was no heartening sign of improvement in world economy.

To interpret the events of the year and to assess them properly, it is necessary to refer to events which do not, strictly speaking, fall within the scope of this year as they occurred only during April 1938. For it was not till April that the critical nature of the position of India's foreign trade was brought home in a truly striking manner, namely, the onset of weakness in the rupee and the difficulty of putting through the remittance programme for the month. April thus provided, in a sense, the epitome of the events of the year before. And as might be expected, it also gave an inkling of what was in store for the country during the year following. Considering the critical conditions that obtained in April 1938, one might perhaps feel relieved that 1937-38 was no worse than it was. For the deterioration in matters of importance to the national economy may be said to have been alround, except for the fact that finances of the Central Government and of most of the Provincial Governments, too, continued in a position of normal comfort in spite of disappointments here and there. For what matters to the national economy is not so much the level of production, agricultural and industrial, as the maintenance of prices and the continuance of the export trade in adequate proportion. To the extent that the agricultural population derives its income from the disposal of its produce in overseas markets, the national economy is dependent on the prices for our export staples and is, for that reason, extremely sensitive to changes in the outside world. In a country like India, in which even in the present conditions the total value of foreign trade bears but a small proportion to the total value of internal trade, this undue dependence on foreign markets is by no means a natural position and India's relation to her exports should have closer similarity to that of the United States than to that of Great Britain. The progress towards that ideal depends obviously on the increase of indigenous industrial production and the utilisation of a larger percentage of our raw materials in Indian industry. While in this view the maintenance of industrial production in India during a depression year like that of 1937-38 is a matter for gratification, it can hardly induce one to underrate the suffering which the fall in exports and in prices has caused throughout the country. It must also be remembered that in some cases at least like jute mills, the increase in production, far from being a benefit, is a source of hardship to all concerned.

To gauge the extent of the fall in prices, one has only to take a glance at the index numbers of the wholesale prices in Calcutta.

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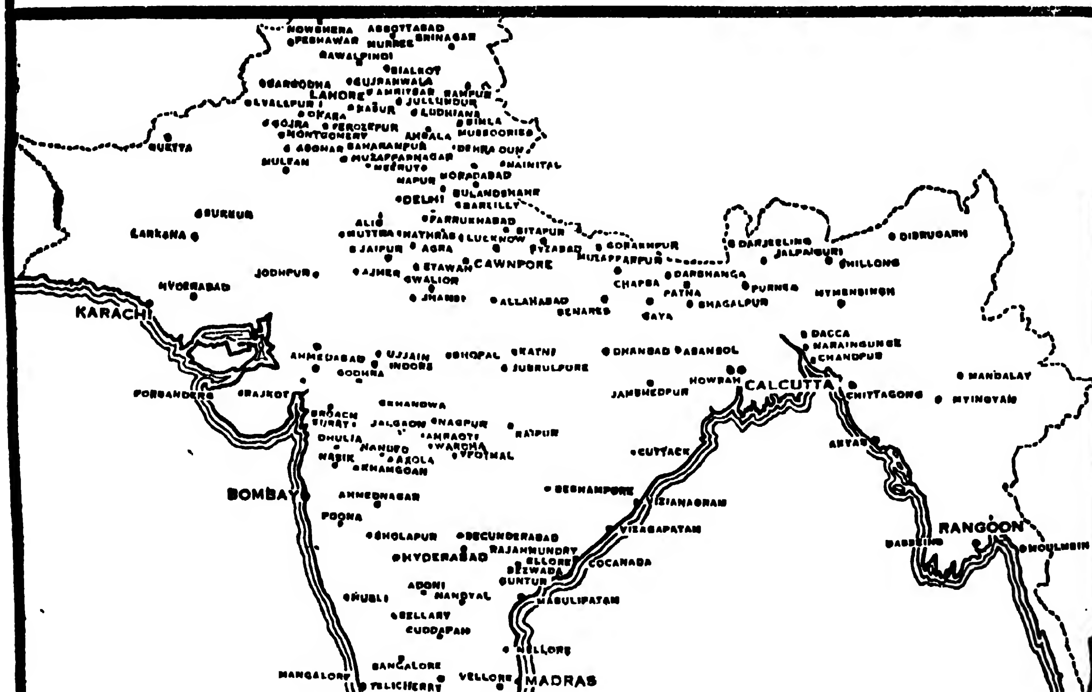

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The index for all commodities fell during the period April 1937 to March 1938 from 103 to 96. Readers of ***Indian Finance*** are familiar with our view that changes in the index numbers of all commodities do not adequately reflect the fall in the prices of our important staples and it is therefore necessary to examine, in some detail, the fluctuations in the prices of other commodities. The following table shows the index numbers for principal groups of commodities, as also the highest and lowest for the year. The figures for April 1937 and 1938 have also been included for reasons which have been already stated.

TABLE I

Wholesale Price index

(Base July, 1914=100)

	April 1937	1937-38 Highest	1937-38 Lowest	March 1938	April 1938
Cereals	79	79	65	65	67
Pulses	84	92	82	82	83
Sugar	100	126	97	126	125
Tea	146	151	136	137	134
Other food articles ...	118	137	111	114	108
Oilseeds	114	120	107	107	104
Oil mustard	75	80	70	75	75
Jute Raw	62	63	47	47	45
Jute manufactures ...	78	78	61	61	57
Cotton Raw	103	107	70	71	68
Cotton manufactures ...	122	122	110	112	111
Other Textiles (wool & silk) ...	136	136	80	86	85
Hides and skins ...	84	84	71	71	67
Metals	143	154	140	140	140
Other raw and manufactured articles ...	90	96	87	94	89
Building materials (Teak wood)	119	124	108	124	124
All commodities ...	103	105	96	96	94

In a majority of cases and particularly in the case of all the staples of our export trade, the figure for April 1937 is also the highest for the year. And in most cases, the figure for March 1938 is the lowest.

As always happens, the year of low demand is also the year of low prices. And it is, therefore, nothing surprising that India's foreign trade should have made such a poor showing during the year under review. A detailed review of India's foreign trade appears in the appropriate section of the *Year-book*. Here it should suffice to note that, on the whole, considering the extremely unpropitious conditions that obtained during the year, no serious fall has occurred. A superficial study of the figures furnished in the blue books will, no doubt, tend to exaggerate the decline, but making all due allowances for the changes occurring as a result of the separation of Burma, it would appear that the export trade has been fairly well maintained and that the decline in the balance of trade position is due more to the increase in imports than to a decline in exports. To this increase in imports, the separation of Burma and the trade with Burma have been a very large contributory factor. It is in this view that an examination of Indo-Burmese trade relations is attempted in a later article. And it will be seen therefrom that before long the trade relations with Burma will call for careful examination and even revision. For the present, it is only commonsense that the alterations in the political status of Burma should not be allowed to become a major disturbing factor in the national economies of the two countries. But inasmuch as Burma appears to have not only a larger, but even increasing, favourable balance with India, and India is hard put to it to realise an export surplus sufficient to meet her annual foreign trade obligations, Burma will naturally have to be specially considered in any foreign trade policy of this country. It seems quite possible that the economy of the two countries will develop more on a complementary than on a competitive basis. And it would be obviously to the interest of both countries to help such a development by special arrangements designed to further them.

For the present, one should be content to note that, considering India's trade as separate from that of Burma, the total exports of the mainland during the year 1937-38 amounted to Rs. 189.20 crores as against Rs. 192.11 crores which may be computed to have been the total exports of India exclusive of Burma in the previous year. Contrary to this downward trend of exports, the increase in imports has been from Rs. 142.29 crores in 1936-37 to Rs. 172.99 crores in 1937-38.

An examination of the figures of industrial production during recent times shows that the structure of internal industy has been able to resist the downward pressure which one might expect the decline in foreign trade to exert on it. The following table

gives the figures of production in the principal countries of India:—

TABLE II

PRODUCTION (EXCLUSIVE OF BURMA)

	1935-36	1936-37	1937-38
Cotton piecegoods (million yds.) ...	3571·4	3572·1	4077·8*
Jute manufactures (tons 000)	1011·2	1251·9	1303·4*
Pig iron	1540·8	1552·3	1644·0*
Steel ingots ...	879·7	860·7	921·8*
Finished steel (including semis except blooms, billets & slabs)	676·6	691·7	822·9*
Sugar (000 cwts) ...	17,344	20,802	17,989†
Coal (000 tons) ...	20,875	20,063	23,479
Tea (million lbs) ...	313·02	311·17	336·15

† Production for eleven months only.
* Provisional

It will be seen from the above table that in almost all cases, 1937-38 has witnessed an increase in production over the previous year. There are, doubtless, forces which tend to secure an expansion of Indian industry irrespective of fluctuations in world economy and international trade. Indeed, the world depression was one of the major forces making for such expansion, though it worked indirectly through an increase in import duties and the cheapening of raw materials. Welcome as is this development, one can hardly exaggerate its significance to the national economy as a whole. We have often expounded the view that indigenous production, which only seeks to replace imports, not only does not add to the total goods and services which the nation can command annually, but it also imposes disabilities on our export trade which have reactions, at once most powerful and most regrettable, on the well-being of the agriculturists. This is not, as it is often sought to be made, an argument against industrialisation. It can only emphasise the transitory nature of the present position and what is more important, the privations and sacrifices which the nation will have to undergo during the initial stages of industrialisation. An agricultural country, which seeks to industrialise itself, has necessarily to make large sacrifices either in the shape of higher prices for the product of protected industries as India has been doing or by way of direct self-denial of some of the necessaries and comforts of life as Soviet Russia was doing till very recently. It follows therefore that neither industry nor foreign trade can be in a stable position till the total volume of demand for industrial production is raised to the level at which India can, without prejudice to Indian industry, ear-mark a portion of the internal market for foreign exports with a view to enable the latter to maintain their demand for India's raw materials. That level of demand for manufactures cannot be reached till the standard of living is raised to levels much higher than what obtain at present; and the way to such improvement lies not so much in industry as the enthusiasts of industrialisation often suppose, as in the improvement of agriculture and the income of the agriculturists. For it is the increase in the income of the agriculturists which can provide that effective demand for manufactures without which industrial expansion is impossible.

It is to such improvement of agricultural methods and the position of the agriculturists that popular governments in the provinces are to-day bending their energies. The new ministries are impelled as much by the nature of the task as by the irresponsible character of the Central Government to take a more comprehensive view of the economic problems of the respective territory under their jurisdiction than would, strictly speaking, be appropriate to the governments of units of a Federal Constitution. As things are, the provincial governments would seem to attach equal importance both to the improvement of agriculture and the expansion of industry. To the extent that industrialisation relieves the pressure on land, this view must be deemed to be valid; and so far it has not led to any under-estimation of the importance or the urgency of reform of agriculture. But in practical work only the surface has been scratched as yet. Legislation for relief of agricultural indebtedness is the starting point of agrarian reform. The revision of land tenure, which is as necessary as the scaling down of debts, raises however delicate problems of redistribution of the income from land which the Congress Party or, for the matter of that, any dominant party, would, in the present position, be naturally reluctant to tackle. Nevertheless, some relief is being afforded through revision of the land revenue and through minor alterations in laws of tenancy. But the real motive power of agricultural progress will be derived from the provision of agricultural credit and the application of scientific methods of cultivation.

The financial disabilities of the Congress governments tend to raise the fear that the country might be unduly handicapped in the paramount task of educating the masses. But the social conscience, once awakened, is bound to create and liberate the forces which go to make a happy and powerful nation.

PUBLIC FINANCE IN THE PROVINCES

After the second budget of popular ministries in the Province it is useful to consider in broad outline the position of public finance in the Provinces and the potentialities which it reveals for the solution of the large problems of national reconstruction. As the credit of each province is the sheet anchor of any programme of reform, it may be said that the first gain to be set down in this survey is that none of the popular ministries has given room for any doubt in this regard. Considerations of safety and prudence have been given the fullest weight in drawing up the programme of expenditure for the coming year. The ministries have shown a commendable courage in facing the consequences of disappointments which inevitably follow this determined adherence to sound financial principles. Many of the governments have been able to budget for a small surplus; and where a deficit has occurred, it can be defended on the ground that it is very small, or is due to non-recurring expenditure or is a marked improvement on the deficits of the pre-autonomy days. The most exacting critics of the Reforms cannot now contend that finance is less safe in the hands of popular ministries in India.

This is, however, a negative advantage, and is by no means calculated to impress the popular mind. Financial soundness on the basis of current expenditure and revenue is not an achievement to boast of, though at the polls an impairment of such soundness will count as a terrible indictment against any party. The popular ministries will stand or fall by their ability to find the resources necessary for all the schemes of national uplift and to work them successfully without prejudice to the principles of sound finance and individual freedom. However, in judging the record of provincial autonomy from this standpoint, it is necessary to remember that, from the financial point of view, certain preliminary conditions have to be satisfied before the Ministries can take up the question of fresh taxation. For it is not as if there are certain untapped sources of revenue which the ministers with the support of the majority of the legislature can immediately resort to. The fact is, as Mr. C. Rajagopalachari pointed out in a speech in the Madras Assembly, the available sources had been tackled by "no unskilful hands" in the past; and in the position as it is at present, there is but little scope. To get on the move, certain preliminary adjustments within each province and as between each province and the Centre are indispensable. The financial enquiries which were held as part of the Reforms enquiry, showed clearly that, unless the Centre released a part of its resources for the benefit of the Provinces, the latter would find themselves stuck and unable to make a move. If the Montford enquiry had been accompanied by a similar effort to examine the financial implication of the Reforms, an identical conclusion would have been reached many years ago; and the history of dyarchy would probably have been different. All the same, the process of the Centre handing over moneys to the Provinces is, in fact, much older than Provincial Autonomy. And as Sir James Grigg was careful to point out in his budget speech, the remission of the contributions which the Provinces had been making under the Meston Award must be deemed to be the beginning of this process of readjustment. But it is more than doubtful if the remission reached the masses in any form. The costs of administration had gone up so high during this period that, from the standpoint of popular uplift, the position is much the same. Meanwhile, the depression had played such havoc on the economic life of the country that old taxes became a dead weight on the people; and relief of taxation became as urgent, and politically even more imperative, as the outlay of additional expenditure on nation-building schemes. Some of the reliefs in respect of existing taxation had in fact, been granted in the days immediately preceding the inauguration of provincial autonomy.

The position of provincial finance to-day cannot be understood except in relation as much to the legitimate claims for remission as to the need for new expenditure. And to these claims must be added the loss of revenue on account of Prohibition. Thus the finances of each province have to settle down to a new norm before the ministries can undertake a courageous new policy. This does not necessarily mean that such a norm must be reached as a matter of fact, for this would take a period of at least

five years if not a decade and more. But the ministries must be able to be clear in their mind how the loss of revenue from excise or land or both and increases in expenditure on urgent schemes of popular welfare are made up, or can be made up, from time to time by savings in existing expenditure or small new levies which will not form an organic part of the system of public finance in the province. An examination of the last two budgets of the Provinces will show that such a policy has been followed, though probably it was not consciously formulated in the mind of the ministries in precisely the same terms.

It would be useful to trace the progress towards the stage in which the ministers would feel confident of undertaking more comprehensive schemes. The release of the provincial share of the income-tax by the Centre would be the first step. The amount which each province will receive as its share may not be much. But at the present juncture, it would enable the Finance Ministers to avoid a lot of embarrassment either in regard to the slight increases in popular expenditure or in regard to the technical requirements of balancing the budget. With the aid of the income-tax, the initial stages of prohibition could be financed ; and inasmuch as excise revenue is not sensitive to the enforcement of Prohibition in one or two districts, it will serve for some time for other purposes. Provincial Governments have, no doubt, to bear in mind that their share of the income-tax depends on the Railway contribution to the Central Revenues. The possibility of a setback in railway earnings is by no means remote or unreal. But it must not be overlooked that the loss of the income-tax will not be the only evil result of a fall in railway earnings. To the extent that it is a sign of deterioration in the national economy, it is bound to be accompanied by other unwelcome developments. It can only be hoped that the policies of popular ministries will themselves help to broaden trade activity, so that railway earnings would be more than maintained and the Provincial Governments will continue to derive increasing revenues for pursuing such beneficent activity. For our part, we are surprised that none of the Finance Ministers has recognised his interest in helping to sustain trade activity and railway traffic.

Next to the share of the income-tax comes the continuance of the drive for economies which started in the days of the depression. The scope for economy is without question severely restricted. But its importance in these preparatory stages can hardly be under-rated. It must be admitted that much of the saving already effected or about to be realised is due to political causes. In the Congress Provinces, the saving in Ministers' salaries and travelling allowances is very considerable even from an accounting point of view. The release of political prisoners is another of the small mercies for which the taxpayer must be grateful. In Bengal, the completion of the programme of release would mean a substantial addition to the Government's spending capacity. Mr. Rajagopalachariar in Madras has gone farther and started, in accordance with uptodate theories of criminology to release even ordinary criminals, with, of course, proper safeguards. Some savings have also accrued from the debt settlement with the Centre. In all departments, there is a new spirit of economy which is responsible for a number of minor savings which in their cumulative effect are considerable.

In addition to the share of the income-tax and internal economies there are new taxes which have been resorted to in some of the provinces. It would obviously be a mistake to confuse these measures with the larger schemes of new taxation which, as we have stressed earlier, must await a later stage of the present programme. These measures are essentially small scale and are even *ad hoc* in the sense that they are meant to fill up the gaps in revenue which occur at the moment. The electricity tax in Bengal, the tax on share transfers in Bombay, the sale of cloth duty in Madras, these have an important function to perform. It might well be that they turn out to be elastic sources of revenue. But at the moment their usefulnes is limited ; and the chances are that they expand only to the extent of the requirements of these preparatory stages.

It is remarkable that even these readjustments have enabled the ministries to make a good beginning in popular amelioration. Among the three premier provinces, Bengal stands on a footing of its own, as the jute export duty, the cancellation of the debt to the Centre, and the savings in regard to the detenus have given her an additional spending capacity of nearly a crore and a half. In Madras, Rs. 75 lakhs of land revenue has again been remitted during this year and excise revenue has shown actually an increase after the enforcement of prohibition in Salem. An amount of Rs. 15 lakhs has been set apart for a scheme of supply of drinking water

in rural areas. Grazing fees have been halved and Rs. 50 lakhs are to be utilised for the redemption of debts of the small peasantry. Increases in the grants for education, public health and other departments of popular welfare have been provided for. Bombay's finances are in the present position less resilient ; but there can be no doubt that the premier commercial province of India cannot lag behind. The Punjab can now boast of a reserve of Rs. 50 lakhs for popular relief. In the U. P., the Premier claims to have effected an increase of over a crore in the nation-building departments while the smaller provinces, too have shown increases in expenditure on education and similar objects.

It is only to be expected that the Opposition parties and the younger members of the party in power will try to belittle what has been achieved. But set it against the background of the immediate past ; and it is difficult to see how more could have been done during this period. It is quite legitimate to ask to what extent the position in the country can change during these preparatory stages. We may lay aside the gain in administrative experience which the Governments will have gathered. What is most important is that the vicious circle in which the country is now finding itself imprisoned will be broken. Remissions of land revenue in the ryotwari areas and new tenancy lays in the zemindari areas together with debt relief legislation may be expected to resuscitate the peasantry. The enforcement of prohibition would mean such an improvement in the standard of living of the masses that its effects would be felt in a tangible form in the industries which produce the necessaries of life. It is by no means fantastic to suggest that these measures would themselves suffice to quicken economic and trade activity and to produce new sources for local, if not provincial or Central taxation. The change in the position and outlook of staple industries like the cotton mill industry and the sugar industry will, of course, be a factor of national importance. It is only when the poisons in the system have been eliminated that one can expect strength or growth.

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A BIRD'S EYE VIEW OF PROVINCAL ECONOMY

In the following articles, an attempt is made to give a bird's eye view of the economic life of each province in India. Our aim is to encourage the habit of taking a comprehensive view of the economy of each province. Such a habit is not merely desirable for its own sake ; it is of great national importance at a time like the present, since, with the inauguration of provincial economy, each Provincial Government feels called upon to apply itself to economic reconstruction, and the people of each province will have to be prepared to help it intelligently with their judgment and opinion. To facilitate study new statistical sections have been added to this section, the source being the "Statistical Abstract of India 1935-36".

BENGAL

Bengal is the most highly populated province in India. The population in 1931 was 50.1 million, which is very nearly one-sixth of that of India as a whole. Amongst the major provinces of India, it is the most densely populated also. While the population for 100 acres of sown area for British India is only 119, in Bengal it comes to as much as 213. The growth of population by 38 per cent. in the Province during the last fifty years, however, is the same as that for the rest of India during the same period.

Production of raw materials forms the principal occupation of the people of India. The following figures would be of help in making a comparative study of the occupation of the people in Bengal with that of India.

DISTRIBUTION OF WORKERS IN 1931

(Earners and dependents of both sexes)

	In Bengal %	In India %
1. Exploitation of animals and vegetation ...	68.84	67.11
2. Exploitation of minerals	0.29	0.23
3. Industry	8.80	9.97
4. Transport	1.93	1.53
5. Trade	6.43	5.15
6. Public Force ...	0.41	0.55
7. Public Administration	0.35	0.64
8. Professions and Liberal Arts	1.95	1.50
9. Persons living on their income	0.17	0.14
10. Domestic Services ...	5.58	7.08
11. Insufficiently described occupation ...	4.82	5.05
12. Unproductive ...	1.43	1.05

The percentage of peope living by the production of raw materials is higher in Bengal than the all-India figure. Transport, trade, professions and liberal arts and persons living on their income, all claim a higher percentage in Bengal than of India as a whole. The percentages in Bengal are less than those of India, in industry, public force, public administration and domestic service.

Agriculture is the main avocation of the people in Bengal as elsewhere in India. Although the sown area is only 28.7 million acres which is roughly about one-ninth of the net sown area in British India, the land being exceptionally fertile, the agricultural industry of Bengal is second to that of no other province in India. Of the 28.7 million acres, rice is cultivated in as much as 22.1 million acres, other food grains and pulse are grown on 1.1 million acres, jute is grown on 1.6 million acres, oil seeds on 1.1 million acres and the various other crops such as cotton, tea, spices, tobacco, fodder etc., on the remaining 2.8 million acres. The acreage under rice cultivation in Bengal is not only the largest in India but also in the whole world. Even Italy, which comes after India, in regard to acreage under rice cultivation in India itself, amounts to 27 per cent. Bengal contributed in 1933-34, 8,646,000 tons of rice out of the total Indian production of 30,353,100 tons. The huge production of rice in Bengal is rendered possible by the physical condition of the province such as the abundant supply of water whether by means of annual floods or good rainfall, and also by the direct dependence of the population on it for their very food.

After rice, jute which is the monopoly of India, is the most important crop of Bengal. Unlike rice, which is produced all over Bengal, jute production is mainly concentrated in six districts—Mymensingh, Tippera, Dacca, Rangpur, Faridpur and Patna. The total area under jute in 1931-32 in India was 1,845,216 acres. Of this Bengal itself contributed 1,596,700 acres. The rest was divided between Assam and Bihar and Orissa. Indian production of jute in 1931, 1932, and 1933 was 5.6 million, 7.1 million and 7.93 million bales, respectively. The world depression has hit the Bengal agriculturist hard. The price of jute has fallen by nearly 60 per cent. and rice by 50 per cent. of the pre-depression prices. On the whole, it would be no exaggeration to state that the income of the agriculturist has fallen to between 40 and 50 per cent. of what it was in 1929-30.

The fall in the agricultural prices has told heavily on the agriculturists who form the major portion of the population. The agricultural indebtedness of Bengal was estimated at Rs. 100 crores by the Central Banking Enquiry Committee. On account of the ruinous fall in the price of agricultural produce, the indebtedness must at least be double now. Tenants and Zemindars have been put to great difficulty in ever adequately meeting their rental charges to the Government. The co-operative movement has been doing something in its usual way to help the agriculturists but as would seem from the foregoing brief account, by itself it cannot do anything appreciable to lighten the burden of indebtedness. In February 1934, the Bengal Board of Economic Enquiry was constituted with a view to study the economic problems of the province with special reference to the rural problem and advise the Government of the measures that should be adopted. The first year of its existence has been spent in making a study of the rural conditions of the province. The Board has also drafted a bill to conciliate and adjust the debts of the rural area by arbitration tribunals. Unless the Board studies the rural problem of the provinces intensively and is in continuous existence for a number of years it cannot do anything substantial.

The Co-operative movement in this province, as elsewhere in India, has so long been an agricultural credit movement. Since the agriculturist in the country is simply notorious for being born in debt, wallowing in debt and dying in debt, no wonder attention has been focussed on the credit aspect of the movement to the detriment of the other aspects of co-operation. Though the six years of world depression has affected the agricultural credit societies in this Province as in other provinces, the co-operative movement has not unduly suffered. Amongst the major provinces in India, Bengal has the largest number of co-operative societies, after Punjab. While the number of societies per 100,000 inhabitants in 1932-33 was 32.9 for all-India, in Punjab and Bengal it amounted to 89.3 and 47.2. The total working capital of the co-operative societies in Bengal in 1932-33 was Rs. 17 crores and 10 lakhs. In regard to this, however, Bengal occupies the third place in India, after Punjab and Madras.

The co-operative credit societies in Bengal, as in other parts of India, cater only to the short-term credit needs of the agriculturists. The supply of long-term credit is beyond the means of these societies as their funds are mainly obtained from fixed deposits of one or two years and current deposits. For effecting improvements in land, purchase of lands, cattle etc., these societies are of very little help to the agriculturists. For such purposes land mortgage banks capable of supplying credit for periods ranging from 5 to 15 or even 20 years are necessary. The co-operative land mortgage banks were first started in India only as recently as 1920. While the land mortgage banking has made some appreciable headway in Madras, its progress in other provinces, especially in Bengal, is negligible. In 1934, however, five land mortgage banks have been organised with a working capital of Rs. 2½ lakhs.

The non-credit co-operative movement in India has been showing some signs of animation only during the last few years. Those which are absolutely peculiar to the Province may be briefly noticed here. The anti-Malarial and Public Health societies are the most important of the non-credit co-operative societies of Bengal. When it is remembered that Malaria is one of the severest curses of Bengal, that out of 86,618 villages in Bengal at least 60,000 are afflicted with the scourge and that it is responsible for the death of 3½ lakhs of people annually, the imperative need and importance of these societies would become immediately apparent. Two of these societies were originally started in 1917 and in 1932-33 they numbered 927 and had a membership of 18,720. Though these societies have as yet not progressed in any magnificient manner, as pointed out by Dr. C. A. Burtly before the Agricultural Commission, they, however, appear to have succeeded "in awakening Bengal villages to the necessity and possibility of improving the health

of their villages by their own efforts." The rural societies are all federated into the Central Co-operative Malarial Society situated at Calcutta. These societies certainly deserve to be encouraged and to be increased in larger numbers.

When dealing with the development of co-operative movement in India, the Indian Year Book of 1934 started about the milk societies that "one of the notable contributions of Bengal to the co-operative movement is the immense organisation built up on the co-operative sale and supply of milk." The unit of organisation is the rural society covering a village and having as its members only *bona-fide* milk producers. The Central organisation with which the rural milk societies in the Presidency Division are federated is the Calcutta Milk Societies' Union. This Union handled last year 115 maunds of milk a day on an average and sold Rs. 4½ lakhs worth of milk.

Bengal is backward in regard to industrialisation in India only in comparison with Bombay. This inferiority is undoubtedly due to the greater attachment that the people of the Province have for investments in land. Of late, Bengal has been showing signs of being industrialised at a faster rate than before. Amongst the industries of the Province, the jute industry naturally occupies the pre-eminent position. The history of the industry up to the year 1925-26 has been practically one of continuous progress in respect of number of mills, looms and output. The number of mills has increased from 60 in 1900 to 92 in 1933-34. The looms have risen in the same period from 15,000 to 60,000. The Indian Jute mills consume nearly half the jute goods in India. The demand for jute and its manufactures both in India and abroad has fallen very considerably during the last four years owing to the depression in world trade. In order to keep the equilibrium between the restricted demand for jute all over the world and its huge supply, the Bengal Government have started an intensive propaganda for the voluntary restriction of jute crop. As the jute industry of India, which is practically synonimous with the jute industry of Bengal, is dealt elsewhere in detail, it is unnecessary to dwell on it at greater length here.

The cotton mill industry of Bengal which comes next in order of importance is of more recent growth. There are now 22 cotton mills in existence having about 5,000 looms in all.

The quantity of piecegoods produced in the Province now is nearly ten times what it was twenty years back. Though the achievement is by no means negligible, there is plenty of room for further development. On the basis of 14.17 yards *per capita* consumption in India, Bengal's demand for piecegoods amount to 730 million yds. The mills in Bengal are able to supply only about one-seventh of this demand, the rest being met from the supply of other provinces and foreign countries. The scope for development in the Province is, therefore, about six-fold.

The other major industries of the Province are coal mining, tea, sugar, paper and iron and steel industry. The coal mines of Bengal contribute one-fourth of the total Indian coal production. In 1931, Bengal's output was 5.8 million tons out of 20.7 millions in India. Raneegunge is the most important coalfield of Bengal. The welfare of this industry is of great importance to this Province. The tea industry of Bengal has absorbed a large amount of capital and is concentrated in Jalpaiguri and Chittagong. This industry engages on an average 200,000 people. As regards the sugar industry though it has made rapid progress elsewhere in India under the aegis of protection, in Bengal its development has been very poor. This is really a matter for surprise when the soil and climate which are very favourable for the cultivation of sugarcane are taken into account. The estimated production in Bengal in 1934-35 is 11,000 tons, whereas the demand is approximately 130,000 tons. When the various natural advantages which Bengal enjoys in regard to this industry by way of favourable soil, cheap labour price, advantage in railway freight as compared with sugar from other provinces are considered, it is apparent that the industry has a great future when it begins to be developed in right earnest. In regard to the paper industry, Bengal stands supreme in India. There are three well-equipped and large paper mills in the Province. The paper production of Bengal in 1931 was 35,000 tons out of the total Indian production of 40,000 tons. A big factory for the manufacture of steel castings, scrap, etc., is being constructed at Belur a few miles from Calcutta. The factory will commence to work within a few months from now.

Apart from these large-scale industries, there are the medium size industries and the small-scale industries providing employment for many in the Province as well as occupying an important position in the economic structure of the Province. Some of the medium-sized industries are chemicals, toilettes and soaps, electric fans, electric bulbs, paint, varnish, glass, match, shoe-

making, hosiery, flour mills, oil mills, rice mills etc. All these have shown considerable expansion during the last few years. The small-scale or cottage industries are those which have been carried on from time immemorial in the villages. They form a vital part in the economic structure in that they provide alternate sources of employment to millions of under-employed agriculturists.

Handloom weaving is the most important cottage industry and is widely spread throughout the Province. It is true that the world famous muslin weavers of Dacca are all dead and gone and the very cotton with which they wove their fine webs are grown no more and is probably even extinct. And yet, even to-day their descendants are carrying on against great odds, if not the weaving of muslins, at least the manufacture of some fine hand-woven cloth. Though no statistics are available as to the total output and the price realised of these handloom products, both must be very appreciable. It is a matter for congratulation that the Government of India should have realised the importance of the handloom industry for India and undertaken to provide five lakhs of rupees for that purpose annually. Bengal is given a grant of Rs. 35,000 for the current year and Rs. 80,000 from the next year. The brass and bell metal industry of Bengal is the next most important cottage industry of the Province and the value of products annually produced amounts to several lakhs of rupees. Amongst the other cottage industries, the more important ones are cutlery, pottery, fishing, silk weaving and rearing, mat and coir making, ceramics, toy making, button making etc. The cottage ndustries of Bengal have recently been given a fillip by the keen interest shown by the Department of Industries in Bengal which has undertaken the resuscitation of several industries and have been also training many *bhadrolok* young men into such industries. The rural industry all over India are also likely to see better days, because two forces, the Government as well as that of the Indian National Congress, are now definitely getting to be ranged on its side. The Congress has started the All-India Village Industries Association under the guidance of that dynamic personality, Mahatma Gandhi, in order to preserve and foster the cottage industries. The Government of India have also set apart one crore of rupees for distribution to the various provinces for the development of their village industries.

The joint stock enterprise has made more headway in the Province than elsewhere in India. In regard to the total number of joint stock companies, Bengal is responsible for nearly half of that existing in India. Although the total amount of paid-up capital invested in these companies in Bengal is slightly larger than that of Bombay, the Companies in the latter province have a far more substantial basis. In 1930-31, out of 7,328 joint stock companies in India, Bengal had 3,652 and Bombay 959. In the same year out of the total paid-up capital of Rs. 283 crores in India, Bengal contributed Rs. 112 crores and Bombay Rs. 98 crores. The average capital of a company in that year was Rs. 10,19,000 for Bombay while for Bengal it was only Rs. 3,06,000. The number of joint stock companies in Bengal in 1933-34 was 4-680 and their paid-up capital amounted to Rs. 113 crores. In her investments and paid-up capital, Bengal comes third only in regard to joint stock banks, after Bombay and Madras. In regard to insurance railways and tramwaps and mills and presses Bengal's invested capital is second only to that of Bombay in India. In loan offices, tea and coal, her joint stock enterprises are the most important in India from the point of view of capital invested. The loan offices of Bengal are companies doing banking business mainly in the rural parts of Bengal. These companies were originally started sometime in 1850 about the time the Nidhis of Madras were started. The development of the loan offices and the Nidhis are to a certain extent parallel. The main difference between the two in their method of business is that while the former approximates more to commercial land mortgage banks, the latter more to commercial joint-stock banks. The working capital of these loan offices amounting to about Rs. 9 crores are very largely locked up in landed properties.

Bengal's share of the foreign trade of India range between 25 and 30 per cent. The following figures show the contribution of Bengal towards India's foreign trade.

IMPORTS OF MERCHANDISE

(Lakhs of Rupees)

		1933-34	1934-35	1935-36
Bengal	...	32,88	36,15	38,68
India	...	115,36	132,29	134,39

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

		1933-34	1934-35	1935-36
Bengal	...	63,69	62,72	66,36
India	...	150,67	155,22	164,25

In regard to the total exports, Bengal comes second amongst the provinces giving the pride of the first place to Bombay. In regard to total imports, however, the table is reversed.

The chief imports are cotton piecegoods, metals and ores, machinery and millware, sugar, mineral oils, hardware, spices, motor cars, provisions, paper, tobacco, paper-making materials, liquor, chemicals, salt. Similarly, the important exports are jute manufactures, jute raw, tea, shellac, hides and skins raw, metals and ores, oil-seeds and rice. The following figures give the more important imports into and exports from Bengal during the last three years.

IMPORTS INTO BENGAL

(*Lakhs of Rupees*)

	1933-34	1934-35	1935-36
Cotton piecegoods ...	3,22	4,71	4,49
Metals & Ores ...	3,36	4,18	4,91
Machinery & Millwork	5,16	4,65	5,94
Sugar	31	25	20
Mineral oils ...	1,82	1,56	1,20

(*Lakhs of Rupees*)

	1933-34	1934-35	1935-36
Jute Manufactures ...	21,07	21,20	23,22
Jute Raw	10,87	10,86	13,57
Tea ...	15,84	15,86	15,40
Shellac ...	1,94	2,67	1,04
Hides & Skins raw ...	2,11	1,23	1,65
Seeds ...	2,12	1,80	1,22
Rice (not in the husk)	95	92	88

Bengal imports, normally, one fourth of the piecegoods imported by India, one third of metals and ores and 40 per cent. of the Indian imports of machinery and millwork and sugar. Between 25 and 35 per cent. of the Indian imports of mineral oil is also imported by Bengal. So far as exports are concerned, practically the entire Indian exports of jute manufactures, jute raw and shellac are from Bengal. Excluding Burma, Bengal exports the largest amount of rice amongst the provinces of India. 70 to 80 per cent. of tea and about two-thirds of the hides and skins raw, exported from India are also from Bengal.

BOMBAY

Even Bombay, the premier industrial province of India, has agriculture as its principal industry. 65.9 per cent. of the total earners and working dependents follow agriculture as their main avocation. The following figures show the occupational distribution of people in Bombay and in India in 1931.

	Bombay	India
1. Exploitation of animals and Vegetation ...	65.9	67.11
2. Exploitation of Minerals	0.1	0.23
3. Industry	11.9	9.97
4. Transport	2.3	1.53
5. Trade	5.3	1.53
6. Public Finance ...	0.7	5.15
7. Public Administration ...	1.6	0.55
8. Professions and Liberal Arts	1.7	1.50
9. Persons living on their income	0.3	0.14
10. Domestic Service ...	2.1	7.03
11. Insufficiently described occupation	5.9	5.05
12. Unproductive occupation	2.2	1.05

The figures reveal that, when Bombay is spoken of as the industrialised province of India, it has to be taken as being so only very relatively. Those living by exploitation of animals, vegetation and minerals are a little less than in India as a whole. Industry, transport and trade especially have a better following in the Presidency. Wherever there is a good demand for labour from industries the people seldom show any preference for domestic service. Probably this accounts for only 2.1 per cent. of the people in India as a whole. The prosperity of the province in comparison with the rest of India is also shown by the fact that, while the persons living on their income are only 0.14 per cent. in India, in Bombay Presidency alone they number 0.30 per cent., which is double the all-India figure.

In 1931-32 the total area sown in the Presidency was 34 million acres. Bombay's total sown area comes third in rank amongst the provinces of India after the United Provinces and Madras. Out of the 34 million acres in the Presidency, rice occupies 3 million acres, wheat 2 million acres, jowar (cholam or the great millet) 8 million acres, Bajra (cumbu or the spiked millet) 5 million acres, gram 1 million acres and other food grains 3 million acres. In the total output of jowar and bajra, Bombay takes the lead in India. Of the other chief crops, cotton and fodder crops are the most prominent ones. The former is grown on 4 million acres and the latter on 2½ million acres. In the cultivation of cotton, Bombay stands second in India after C. P. and Berar and in regard to the fodder crops also she ranks second after the Punjab.

Just as jute is the main commercial crop of Bengal, cotton is the principal commercial agricultural produce of Bombay. If the Indian States in the Presidency are also included, the total yield of cotton in Bombay is the largest in India. Nearly a third of

25544

the total Indian cotton production is accounted for by the Bombay Presidency (including the Indian States). The total yield of cotton in Bombay and its Indian States in 1931-32, 1932-33 and 1933-34 was 1,322,000, 1,405,000 and 1,365,000 bales respectively. The total Indian production in the same year amounted to 4,088,000, 4,437,000 and 4,633,000 bales respectively.

Though at first sight it may well appear, that the co-operative movement has not made the same progress in the Bombay Presidency as in the two or three other provinces of India, when the total membership of the co-operative societies and the working capital put up by the Province is considered in relation to the population of the province, it would be readily found that Bombay does not lag behind the apparently more co-operative-minded provinces of India. The number of members in the co-operative societies in 1932-33 in the Bombay Presidency formed 2.65 per cent. of the population as against 1.34 per cent. in India. Punjab alone amongst the major provinces of India has a slightly higher percentage in this regard than Bombay. The total working capital of the co-operative organisations in 1932-33. From the point of view of the total capital, Bombay no doubt stands fourth amongst the major provinces of India after Punjab, Madras and Bengal. When the number of annas contributed per head of population is considered, Bombay comes amongst the major provinces as second with 115 annas giving the pride of place to the Punjab.

As elsewhere in India, the co-operative societies in Bombay are mainly agricultural credit societies. The non-credit co-operative movement though a little more active in this Province, is by no means impressive. The co-operative credit societies, again, as in the rest of India, supply only the short-term credit needs of the agriculturists. Barring a very few land mortgage banks there are no institutions co-operative or non-co-operative, of the agriculturists. It is really a matter of surprise that Bombay, which is very advanced generally in all matters should have neglected to start well-equipped land mortgage banks which are absolutely essential to the agricultural population situated as it is to-day.

The cotton textile industry is the main and most flourishing industry of the Bombay Presidency. In the national economy of India the cotton textile industry occupies a position, which is second only to that of agriculture ; and even to-day Bombay takes the foremost place in the cotton textile production. This industry is an old and well-established industry and is carried on very largely under Indian management and Indian capital. The two chief centres of the industry in the Presidency are the Bombay Island and Ahmedabad.

Amongst the several new industries now gathering momentum in the Bombay Presidency, the most important is the manufacture of matches. There are eight factories established in the neighbourhood of Santa Cruz, Ghodbunder, Kurla and Thana. In 1932-33 there were 14 cigarette factories doing good business. The assemblage of motor cars has now become a regular and well-established industry in the province. In addition to a number of factories for tanning hides and skins, there are also factories for the manufacture of bakelite materials, electric fans, pins and needles, dry cells, razor blades, soaps, glasses, chemicals, pottery, paint, carbon, paper, etc.

Three things necessary for the industrialisation of any locality are the local supply of raw materials, power, whether coal, oil or electricity, and capital. All these three Bombay has or is getting to have in plenty. As regards capital, Bombay is the home of two principal and rich mercantile communities of India, *i.e.*, the Paris and the Gujaratis. For its principal industry, namely the cotton textile industry, Bombay not only itself grows cotton but also can easily obtain from its neighbouring provinces, Central Provinces and Berar and Madras. Bombay has, however, no oil or coal. She was till recently dependent for her power requirements on the coal from Bengal and C. P. in India or the South Africa. Bombay during the last two decades has done much to remove this disability. The Hydro-electric works, which are now in operation in the Presidency and which generate electric power some fifty miles away on the Ghats, manage to meet a very considerable part of the power requirements of the Province. As the Hydro-electric schemes of India are dealt elsewhere in great detail it is unnecessary here to dilate on them.

The handloom weaving industry in common with the other major provinces of India, is the most important cottage industry in the Bombay Presidency. Almost every district carries on handloom weaving in spite of all competition from the machine-made fabrics. In Poona, Nasik, Dharwar, Sholapur and Belgaum districts alone, there are reputed to be nearly 2 lakhs of weavers. Saries and Turbans are the more famous products of Bombav handloom weavers. Silk is woven in Ahmedabad, Nasik, Thana and Surat Districts. Dyeing is conducted in the

Maratha districts as well as in Gujarat and Kathiawar. Bombay silver-ware and the brass works of Poona and Nasik are well-known throughout India. The other important cottage industries of the Province are lac, ivory and tortoise shell manufactures, carpet weaving, calico-printing, manufacture of gold and silver threads, kinkhabs, lacquer work, pottery, stone works, etc.

Joint stock enterprise is very highly developed in the Presidency. The total number of companies and the paid-up capital in 1931-32 amounted to 1,051 and Rs. 99 crores respectively. The paid-up capital employed in the Bomaby companies represent fully one-third of the total paid-up capital in India. Though in the total amount of paid-up capital, Bombay yields the first place to Bengal, from the point of view of financial strength and soundness of its companies, Bombay stands foremost in India. If Burma is excluded, the average capital of Rs. 9,41,000 per Bombay company in 1931-32 represents the highest average amongst the major provinces of India. In the total paid-up capital invested in Banks, insurance companies, transit and transport companies, and mills and presses, Bombay Presidency occupies the first place in India. In regard to the paid-up capital invested in trading and manufacturing companies Bombay occupies the second place after Bengal.

Bombay's share in the foreign trade of India on an average works out to about 40 per cent. The following tables illustrate Bombay's share in the total Indian trade:—

IMPORT OF MERCHANDISE

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Bombay	46,19	53,70	54,51
India	115,36	132,27	134,39

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35	1935-36
Bombay ...	125,14	30,50	32,40	33,51
India ...	35,49	150,67	155,22	164,21

In regard to the total imports Bombay stands first in India and Bengal is second. whereas in the case of the exports the position is exactly reversed.

The chief imports into the Bo .bay Presidency are cotton goods, metals and ores, machinery, sugar, motor cars, oils, raw cotton, cotton twist and yarn, artificial silk, silk manufactures, instruments, dyeing and tanning substances, woollen goods, paper, hardware, glass and glassware and drugs and medicines. The chief exports are raw cotton, oilseeds, cotton manufactures, raw wool, cotton yarn, oil cakes and grains, pulse and flour. The following table gives the more important imports into and exports from Bombay during the last three years:—

IMPORTS INTO BOMBAY

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Cotton piecegoods .	4,44	4,94	4,38
Cotton raw ...	3,42	5,01	6,37
Machinery and Mill-work ...	4,22	4,27	8,01
Metals and Ores ...	3,10	3,61	3,59
Oils ...	1,94	2,19	2,18
Silkgoods ...	2,42	2,29	1,76
Cotton twist and yarn ...	87	1,37	1,68
Sugar ...	1,00	81	83
Motor cars ...	83	1,36	1,26
Woollen goods ...	86	1,37	99

EXPORTS FROM BOMBAY

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Oil seeds ...	4,60	8,23	8,02
Cotton piecegoods ...	81	94	1,18
Cotton twist and Yarn ...	78	59	44
Wool raw ...	83	40	70

One-third to one-fourth of the total Indian imports of piecegoods and sugar are imported by the Bombay Presidency. One-third of Indian imports of metals and ores, machinery and millwork and cotton twist and yarn are also absorbed by the Presidency. One-third to one-half of oils (mineral) and one-half of the Indian imports of motor cars also find their way into Bombay Presidency. 35 to 40 per cent. of the woollen goods and five-sixths of the silk manufactures imported by India are taken by Bombay. Practically all the Indian imports of raw cotton are destined for the Bombay Presidency.

Of the exports, practically the entire Indian export of cotton twist and yarn, 60 per cent. of raw cotton, one-third of oil seeds, one-half of the piecegoods and about 40 per cent. of the raw wool exported from India are all from the Bombay Presidency.

MADRAS

A scrutiny of occupational statistics of various countries will show that the proportion of people engaged in domestic service to total workers is a rough gauge of the extent of industrialisation. The total workers and working dependents in Madras Presidency according to 1931 census is 28.92 million, out of which 13.35 million or 46.17 per cent. follow exploitation of animals and vegetation. The people engaged in the domestic services amount to 7.79 million or 26.94 per cent., which is the highest percentage amongst the major provinces of India. This high percentage, high even for Madras can be explained largely by the fact that domestic servants also engage in agriculture. The following figures show the distribution of workers and working dependents and the percentage borne by each group of occupation to the total.

	Total Workers & Dependents (millions)	Percentage borne to the total workers and Dependents
Exploitation of Animals and Vegetation	**13.35**	**46.17**
Industry	**2.55**	**8.81**
Transport	**0.38**	**1.35**
Trade	**1.22**	**4.25**
Public Finance ...	**0.06**	**0.21**
Public Administration	**0.18**	**0.62**
Profession and Liberal ...	**0.38**	**1.31**
Persons Living on their income ...	**0.03**	**0.10**
Domestic Service	**7.79**	**26.94**
Insufficiently described	**2.78**	**9.65**
Unproductive ...	**0.17**	**0.59**

On account of a change in the method of classification, the Madras figures are not exactly comparable with that of the All-India census figures. It may, however, be stated confidently that the proportion of people following domestic service is probably the highest in this province and that trade, industry and transport have all a lesser following in the Madras Presidency than in Bombay or Bengal Presidencies and in all probability lesser than even the All-India census figures. The people following the exploitation of minerals are only about 15,000 and for all practical purposes that group need not be taken into consideration. When the mines and quarries are few, no wonder that there are very few who followed the calling of mining or quarrying. The proportion of people living on their income in the Presidency is also lower than that for the whole of India.

Agriculture is the mainstay of the people in Madras in common with the rest of India. The total area sown in 1931-32 in the Province was 38 million acres which is very nearly a seventh of the total sown area in India. Madras comes second in this regard in India after the United Provinces. Rice, the staple food of the people of the Province, naturally occupies the largest acreage. Rice is cultivated on 12 million acres, Jowar (Cholum or the great millet) 5 million acres, Bajra (Cambu or spiked millet) 3 million acres, Ragi (Marua or millet) 2 million acres and other food crops 7 million acres. Madras stands, amongst the Indian provinces, first in the cultivation of ragi, second in the case of Jowar third in Bajra and fourth in regard to rice. When the total acreage of 205 million under food grains in India is considered, it would be found that Madras with 29 million acres under food grains stands second, yielding the first place only to the Punjab. In the cultivation of oilseeds, spices and coffee. Madras occupies the premier position in India. Out of 16 million acres under oilseeds in India, as much as 4½ million acres are accounted for by Madras alone. Nearly half the land under condiments and spices in India are to be found in this Presidency. The cotton cultivation is also an important industry of the province, as Madras stands third amongst the provinces of India growing cotton. The acreage under cotton cultivation in 1931-32 in the Presidency was 2 million acres.

The agriculture of the Province owes not a little to the agricultural and the irrigation departments. The former have always been on the alert to find out improved seeds and manures, and the latter in improving the irrigation facilities of the Province. The Madras Presidency has at present some of the finest irrigation works in the world. The Mettur irrigation project which was recently completed is one of the largest of its kind in the world. In 1931-32 the area irrigated in the Presidency was 9.2 million acres and then Madras stood third amongst the provinces of India in regard to the area irrigated.

Although the progress of the co-operative movement in the Madras Presidency is nothing impressive it, has been heartening enough. Madras has the largest number of co-operative society members in India. In 1932-33 the total number of members of primary societies was 898,231, which is a fourth of the total members in India. The working capital of the co-operative organisa-

tions in 1932-33 amounted to Rs. 17.30 lakhs and in this respect Madras comes second only to Punjab which has a crore and a half more.

Madras is the most progressive province in regard to the land mortgage banking. No other province has come anywhere near it. The establishment of the Madras Co-operative Central Land Mortgage Board in 1929 to finance the local and the primary mortgage bank by centralising debenture issues marks the starting point of a systematic development of the land mortgage banking in the Province. There are at present about 38 primary land mortgage banks in the Presidency attempting to meet the long term agricultural credit needs of their localities. Though only a start has been made so far, the beginning has been so good that it augurs well for the future.

The non-credit side of the co-operative movement, in common with the rest of India, Madras has not developed. There is, however, one exception. The Triplicane Co-operative Society, which is a consumers' society has been a very successful institution. It is the biggest of its type not only in India but in the whole of East, if Japan is excluded.

The large-scale industries of the province are cotton textiles, tanning of hides and skins, jute mills, oil milling, coir-making, aluminium utensils making, match and pencil making, soap manufacture, saw-milling, tile making and tanning. Of these the cotton textiles and tanning are the more important industries. There are about 30 cotton mills working 5,834 looms and 1,034,830 spindles with paid-up capital of over Rs. 3 crores. The average daily number of workers employed was over 55,000 according to the 1935 statistics as against 270,000 in Bombay. There are besides 7 hosiery mills, 4 jute mills and 2 woollen mills. Sixty-four factories are engaged in the manufacture of bricks and tiles. The number of saw mills is given as 11. In the tanning industry Madras leads ahead all the provinces of India.

Factories engaged in Processes connected with skin and hides:—

		Madras.	Bombay.	U. P.	Punjab.	Bengal.
Leather and shoes		5	1	5	...	2
Tanneries	...	6	5	6	2	5
Miscellaneous	...	...	6	...	...	...
Total (India)	43	11	12	11	2	7

The province of Madras yields place only to Bengal and Bombay as regards major engineering workshops and factories. There are 23 railway workshop General engineering claims 19 and electrical engineering 3. With the development of hydro-electric power, it is more than likely that Madras will make rapid progress in Engineering enprises.

If the Madras Presidency has not been industrialised to the extent the other two presidencies have been, it is because the Presidency has been suffering from a woeful lack of power resources. There are no coal mines within the Presidency and to get coal either from Bengal or C. P. is almost prohibitively costly. The only resource, that could be developed within the Presidency, is the Hydro-Electric power. More than a mere start has been already made in this direction ; and it could be safely predicted that within 20 years the Hydro-Electric power would have been sufficiently developed all over the Presidency, and the greatest handicap to its industrialisation would be removed. The Hydro-Electric projects and undertakings are dealt elsewhere in detail.

The important cottage industries of the Province are cotton and silk handloom weaving. Tanjore, Madura, Kuttalam, Kurnool, Adoni, Arni, Cocanada, Salem and Coimbatore are some of the very important centres of silk and cotton weaving. Carpets are made at Ellore, Ayyampattai, and Masulipatam. Vellore, Ganjam, Madura, Travancore, Vizagapatam, Tanjore and Kumbakonam are famous for their metallic wares, Trichinopoly and Dindigul are noted all over the world for cigar manufacture.

Madras Presidency was the first in India to have an efficient department of Industries. The Department has to its credit the starting of the first up to date aluminium, soap, pencil and paper factories in India. This department has been in general taking a greater interest and actively helping the cottage industries as well as the major industries by taking part in, as well as organising, exhibitions, conducting researches, training pupils and starting new ventures, and similar departments in the other provinces of India.

As in the case of industries in the Joint Stock enterprise also, Madras Presidency ranks theird amongst the provinces of India (excluding Burma). This is easy to understand. Unless industries flourish Joint Stock enterprise cannot thrive, and a parallel can generally be always found in and locally between its industrialisation and growth of joint stock companies. The Pre-

sidency stands third in India in respect of the paid-up capital invested in Banks, Mills and Presses, second in regard of tea and other planting companies and fourth in insurance companies, (Burma being excluded). The paid-up capital of all the companies in 1931-32 amounted to Rs. 15 crores out of the total Indian paid-up capital of 286 crores.

The Madras Presidency comes third after Bombay and Bengal in its contribution to the foreign trade of India. The following figures give the imports and exports of merchandise as well the total foreign trade of the Madras Presidency and India.

IMPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1932-33	1933-34	1934-35
Madras Presidency ...	14.31	17,35	15,71
India	115,36	132,25	134,39

EXPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1932-33	1933-34	1934-35
Madras Presidency ...	24,71	25.26	26,91
India	1,55,67	155,22	864,25

The chief imports into the Madras Presidency are Metal and Ores, Cotton Manufactures, Machinery,Millwork, Ooils, sugar, cotton twist and yarn, vehicles, hardware, dyeing and tanning substances, paper and pasteboard, rubber and chemicals. The main exports from the Presidency are oilseeds, tanned hides and skines, tea, cotton manufactures, coffee, spices, coir raw and manufactured. The following are the more important imports into and exports from the the Presidency during the last three years:—

IMPORTS INTO THE PRESIDENCY

(*Lakhs of Rupees*)

	1932-33	1933-34	1934-35
Iron and ores ...	1,40	1,57	1,37
Cotton piece-gggds ...	1,36	1,57	1,19
Machinery and Mill-work	1,45	1,56	1,67
Oils	1,01	5,09	1,08
Cotton Twist and Yarn	54	64	69
Sugar	56	48	33
Motor Cars ...	24	33	33

EXPORTS FROM THE PRESIDENCY

(*Lakhs of Rupees*)

	1932-33	1933-34	1934-35
Oilseeds	6,13	5,68	5,80
Tea	3,90	4,36	4,42
Tanned Skins ...	2,90	3,02	2,75
Tanned Hides ...	2,29	1,91	2,21
Cotton raw ...	1,11	1,74	97
Coffee	1,02	73	1,01
Cotton piecegoods ...	83	82	84
Rice (not in the husk) Machinery and Mill. ...	80	83	86

Of the total Indian imports, about 15 per cent. of metals and ores, 1/10th of cotton piecegoods, 1/9th to 1/10th of machinery and millwork, 1/6th of oils, 1/5th of sugar, 1/4th to 1/5th of cotton twist and yarn and 1/8th of motor cars are imported by the Presidency.

Of the exports from India, nearly 50 per cent. of the oilseeds and cotton 1/4th to 1/5th of tea, and practically all of coffee, tanned hides and tanned skins are contributed by the Presidency.

THE UNITED PROVINCES

The United Provinces is seventh of the provinces of India in size, having an area of 112,191 sq. miles of which 5,943 constitute the States. In point of population, however, the U. P. ranks third with a total population of 49,619,833 of which 1.2 million is accounted for by the States. In its main features, the economic life of the United Provinces is not different from that of the rest of India. In the matter, however, of distribution of occupations, the United Provinces has certain notable features; firstly, the proportion of "exploitation of animals and vegetation" at 74.5 is higher than that of the other important provinces like Bengal, Bombay, Madras and the Punjab and is lower than that of only Bihar and Orissa, Central Provinces and Assam. If the extent of dependence on agriculture is a clue to the industrialisation of a province, then, one should say that the United Provinces comes next to all other major provinces in point of industrial development. But the proportion which industry bears to the total number of occupations, is higher at 11.7 per cent. than that of the major provinces inclusive of Bombay. But Punjab stands out with the far higher percentage of 17.0.

In transport, United Provinces has a proportion higher than that of Madras and C. P. and Bihar and Orissa, equal to that

of Bombay and lower than that of the Punjab and Bengal. The distribution of occupation for all the provinces is given below:—

	ssam	Benga	Behar and Orissa	Bombay	Burma	Cen Prov	dra	Punjab	United Provinces	Hyderabad State
Exploitation of animals and vegetation	81,4	68·0	74·7	67·6	67·8	80·0	46 2	63·4	74·5	56·8
Exploitation of Minerals	0·4	0·2	0·8	0· 1	0·6	0·2	0·1	0·1		0·4
Industry	8·3	8·8	8·3	11·3	11·8	8·3	8·8	17·0	11·7	10·7
Transport ...	1·7	2·0	0·9	2·0	4·1	1·2	1·8	2·1	·9	4·5
Trade	3·8	6·8	4·4	5·1	9·3	4·4	4·2	6·0	5·1	11·9
Public administration, Professions and liberal Arts ...	1·8	2·8	1·7	3·9	4·4	2·0	2·2	4·1	2·0	8·8
Others .. .	2·6	1·14	9·2	10·0	2·6	3·9	3·72	7·3	5·8	11·9

The total area under cultivation, according to the last report of the Department of Agriculture to hand is 43.2 million acres, of which 7.84 million are double crop. Not less than 3.8 million acres are devoted to the growing of fruits. The United Provinces may boast of a fair share of the important agricultural staples of India. Of wheat, out of the total of 34.4 million acres, the U. P. has as much as 7.67 million. While the total annual production of Indian wheat is 9.70 million tons, the U. P.'s share comes to 5.5 million. The U. P. has more than half the total acreage under sugar cane. While the area under sugarcane in India is only 4.007 million acres, U. P. alone claims as much as 2.249 million. From the standpoint of yield, the U. P.'s share is even higher, being 3.336 million tons out of a total of 5.905 million tons. In cotton, rice and linseed, the U. P.'s share is far less. While the total Indian acreage under cotton is 23.830 acres, only 715,000 acres are in the United Provinces. The U. P.'s cotton production of 194,000 bales is but a small proportion of the total Indian output of 4,807,000 bales. The area under rice of the U. P. is only 6.69 million acres out of a total acreage for All-India of 44.5 million. The output of rice of the province is 1.99 million tons against 30.26 million tons for the whole country. 8,45,000 acres are devoted to the growing of linseed and the U. P.'s output of linseed is 199,000 tons against 418,000 tons for all India. Agriculture in the U. P. must be said to have a bright future before it. At present, however, conditions are not as one would wish them to be; for the depression has hit the United Provinces hard and the finances of the Province have been altogether upset. The report of Sir Otto Niemeyer,, while referring to the undoubted need of the provinces for help from the centre, is also confident that in the future, the U. P. could be numbered as one of the major provinces of India and that the financial help which the Central Government now makes is, purely, of a temporary kind. In considering the prospects of agriculture of this province, reference may be made to the fact that the Sarda Irrigation Canal, on which work was started in 1921, was opened in the main branch in 1928. This comprises some 4,000 miles of main channel and distributories and 1,200 miles of drains over an area of 6 million acres, of which on an average of 1,350,000 is expected to be irrigated annually by its means. New masonry wells to the number of 150,315 were constructed during the decade covered by the last census, mostly at the expense of the cultivators themselves. The principal crops are rice, millet, wheat, barley and pulse. In sugarcane the U. P. has the means of improvement both to agriculture and to the industry of the province. The outlook of U. P. may be said to have changed almost beyond recognition with the institution of a policy of protection for the Indian Sugar Industry. The Government have attempted to distribute the benefits of such a favoured industry by passing legislation for the enforcement of minimum prices for sugarcane. What Bombay Presidency is for the cotton mill industry, the United Provinces may be said to be for the sugar industry. The development of this industry has made up for the weakness of the U. P. in its lack of subsidiary occupations. It is noteworthy too that the United Provinces is alone among the provinces of India for its small number of handlooms which accord-

ing to the report of the Cotton Textile Tariff Board of 1932, is only 75,000, while hardly any province excepting Dehi and N. W. F. Province has less than a lakh of looms.

It must also be mentioned that in cattle breeding the U. P. is ahead of most other provinces of India. It is reputed to be the largest importer of cotton; and it can boast of 4 cattle breeding farms, managed by government in Muttra, Jhansi and Khevi districts and in Bhabar and Therai estates.

It is also likely to derive the largest benefit from the impetus given by His Excellency Lord Linlithgow to cattle breeding in India.

By far the most encouraging aspect of the economic life of the United Provinces is the spread of hydro-electric power mainly for purposes of agriculture, and the resulting scientific outlook in regard to problems affecting agriculture. It is also noteworthy that, according to the banking enquiry Committee, 46 per cent. of agricultural tenants and peasant proprietors were free from debts and 22 per cent. owed less than two years' rents, though a larger number of landlords were in debt and their debts were very much greater.

As regards industry, the U. P. may well claim that it has the most well-distributed industrial activity, compared to the other provinces. It has been already pointed out that the occupational statistics suggest a higher degree of industrialisation than in most other provinces. Another circumstance pointing towards the same conclusion is that the U. P. has a larger number of cities than Madras or the Punjab or the C. P., not to speak of Bengal. But this, it must be added, is due largely to the historic importance of the cities and not to the concentration of pupulation which industrial activity invariably brings about. Nevertheless, large aggregations of population promote brisk activity in trade and commerce, if not industry. And active business helps the develpoment of industrial concerns; and this must explain to some extent the variety of the industrial life of the U. P. But this, again, rests on the variety of its natural resources. It has been mentioned already that in the sugar industry, the U. P. has the pride of place Sugar factories rose from 14 in 1931-32 to 68 in 1935-36. The output now stands at 374,000 tons against 202,000 tons of Bihar and Orissa. The percentage of total production is 54.7. Of cotton mills, the U. P. has a fair share, though in the production of cotton, as we have seen already, the contribution of the U. P. is far from impressive. The province has utilised its high place in the production of wheat and oilseeds to develop its own flour mills and oil mills. Small industries like soap and toilette requisites and hosiery are slowly making headway. The progress of the province in the future will, however, depend on the efforts of the Government to modernise agriculture and teach the peasant to use electric power.

PUNJAB

The Punjab with its feudatories embraces an area of 136,260 square miles, the British districts occupying 99,200 square miles and the States 37,060 square miles. From 1st October, 1936, with the formation of a new Political Agency at Simla the Punjab States (which till then formed two groups, *viz.*, "Punjab States" and "Punjab States Agency"), have all been transferred to the Punjab States Agency. The total population of the Province in 1931, including the Baluch tribes of the Dera Ghazi Khan border was 28,490,857, of whom 4,910,005 were in the Indian States. That is to say, the Punjab comprises about one-thirteenth of the area and population (238 per square mile) the Province comes next to Bengal, Bihar, U. P., Orissa and Madras, in that order.

Bounded on the east by the Jumna and by the Suleiman range in the west, the greater part of the Punjab forms one vast alluvial plain. The physical configuration of the Province falls into five natural divisions. (1) The Himalayan tract including an area of 22,000 square miles scantily populated in scattered mountain hamlets, (2) the Salt Range tract extending over the districts of Attock, Rawalpindi and Jhelum and part of Shahpur district, a broken territory, its hilly regions approximating in its physical characteristics to the Himalayan tract. Rainfall in this region is insufficient to provide against distress in unfavourable seasons, irrigation being almost absent. (3) The sub-montane tract, including within itself the low hills of the Siwaliks, on the other hand enjoys ample rainfall and is further watered by the streams from the hills. This tract comprises some of the most fertile and thickly populated portions of the Province. The population of this region (over 4 millions), pursue, almost wholly, agricultural and pastorl voca-

tions. Sialkot is the sole urban centre. (4) The eastern portion of the Punjab plains with an area of over 36,000 square miles and population of 10½ millions—a largely urban area, in comparison with the Western Punjab. The large cities of Amritsar and Lahore lie within this tract. Everywhere in this region rainfall is just sufficient for cultivation to be made possible without irrigation, but not to safeguard against distress, except where irrigation is employed, in times of even a slight failure of the rains. (5) The western plains comprise an area of nearly 60,000 acres with a population of over six millions. Because of scanty rainfall everywhere in the area, cultivation is independent of rain, being made possible with the aid of artificial irrigation or in riverine regions left moist by the retreating floods. This part of the Punjab plains include the great colony areas on the Chenab and the Jhelum canals which seem to be well on their way to dispute the claim of the eastern tracts as the most fertile and populous portion of the province. Multan and Lyallpur are the largest urban centres in this area.

IRRIGATION

About one-sixth of the total area of the province is Government property the rest being owned by private interests. A large part of the Government land is so situated that cultivation is made possible only by extensive irrigation. The Lower Chenab canal now irrigates 1,945,000 acres of former waste land, the Lower Jhelum Canal, 4,18,000 acres and the lower Bari Doab Canal an additional 1,016,000 acres. The opening of the Sutlej Valley Canals has brought in a further area of about 1,362,000 acres under cultivation. The area irrigated in 1934-35 by Government works was largest in the Punjab where 10.48 million acres were irrigated during the year. Madras came next with 7.3 million acres followed by Sind with an area of 4.06 million acres. During the triennium 1930-33, of the 10,995,258 acres (average area) irrigated in the Punjab 10,314,031 acres were served by Productive Works and only 681,227 acres by Unproductive Works ; while the average area irrigated in British India as a whole during the triennium was 30.23 million acres. Thus the Punjab accounted for over 35 per cent. of the total area irrigated.

THE HAVELI IRRIGATION SCHEME

The project when fully developed, will provide perennial irrigation to 500,000 acres and non-perennial irrigation to 450,000 acres in the Jhang, Multan and Muzaffargarh districts. The net annual revenue ten years after the canals begin functioning and after paying working expenses has been estimated to be Rs. 43,000,000, that is to say, a return of 8 per cent. on the capital expenditure, but it will probably be more in view of the several savings that have been effected. The scheme was originally estimated to cost Rs. 5,25,00,000. But the actual expenditure is likely to much less. The expenditure during 1937-38 was Rs. 64,50,000 out of which the Punjab Government met Rs. 45,00,000 from their own resources and the balance from the cash section of the loan raised last year. During the current year the expenditure is estimated to be Rs. 1,50,00,000. The Punjab Government are meeting half a crore from their own resources, and for the balance a loan of Rs. 1,00,00,000 was floated during the year.

Progress on the construction of the Emerson Barrage, the headworks of the project and other works has made rapid strides. It is expected to finish the work in about two years against an estimated period of five years.

AGRICULTURE

Punjab is essentially a country of peasant proprietors. Agriculture is the mainstay of the people affording means of subsistence to 65.5 per cent. of the population. The total area sown in 1935-36 in the Province was 28 million acres. (Net area actually sown 24,462,134 acres: current fallows 3,606,988 acres), which is very nearly a tenth of the total sown area in India. Punjab comes third in this respect in India after the U. P. and Madras. Wheat, the staple food of the people of the province occupies the largest acreage and the development of irrigation has led to a great expansion of the wheat area, which in 1935-36 occupied 9.3 million acres, being the largest acreage of any province in India, covering nearly 36 per cent. of the total wheat area in the country. Rice is cultivated in under 1 million acres, Bajra (or spiked millet) 3 million acres, Maize over 1 million acres, Gram (pulse) 4.7 million acres and other foodcrops, 4 million acres. Punjab stands, amongst the Indian provinces first in the cultivation of wheat, second in Bajra and Gram, third in Barley and Maize. Other important staples are oilseeds, rape, toria and sesamum, cotton and sugarcane. In 1935-36 2.8 million acres were under cotton cultivation as against 4.1 million acres in Bombay 4 million acres in C. P. and 2.6 million acres in Madras. Large areas in the canal colonies grow American cotton

but in the other cotton-growing districts the *short staple varieties are predominant.* Being preponderatingly agricultural, live-stock occupies a prominent place in rural economy and the cattle and dairy trades are well developed. Wool is a staple product in Kulu and Kangra and throughout the plains generally. The production of hides and skins is also an important industry.

THE CO-OPERATIVE MOVEMENT

In the progress of the co-operative movement the Punjab generally speaking leads in many respects with Bombay coming close behind. The Punjab with about 22,500 societies stands first in the number of societies (89) per one lakh inhabitants, while Bengal with a larger number of societies than the Punjab comes second in that respect with 45. The Punjab again leads in the number of members of Societies (30.8) per one thousand inhabitants, Bombay coming next with 28.1 while Madras and Bengal rank thereafter. Considering the third aspect of the growth of the movement, *viz.*, the distribution of the *Working Capital* by provinces, we find that Bombay and Sind lead in this respect with 125 annas per head of the population. The Punjab is a close second with 117. In the Punjab as in the rest of India the agricultural societies predominate while the urban societies show a much slower development. Thus out a total of 22,500 societies in 1935-36, 18,559 were agricultural and only 3,820 non-agricultural. But even in this respect, Punjab holds the premier position with 3,820 societies out of a total of 10,092 for British India, while Bengal has 2,279 societies and Madras 1,468. 25544

On the other hand, only in Bombay and Bengal do we find any real progress made in one important aspect of urban co-operation, namely, people's co-operative banks. The Punjab has 1,030 unlimited liability (non-agricultural) societies, but only 162 with limited liability and even these are heardly people's banks in the real sense. In Madras again, most of the 1,055 agricultural credit societies are not real people's banks. In Bombay in 1935-36 there were 131 urban banks most of which working successfully. It is clear that the development of urban banking is a distinct contribution of Bombay to the co-operative movement in India, an example which other Provinces are yet slow to follow.

As regards Thrift Societies which are a variation of the urban co-operative societies, the Punjab occupies a predominant position. There are about 1,000 such societies the bulk of whose members are schoolmasters. There are again 125 Thrift Societies for women only, having a membership of about 2,000. The Punjab has also been the pioneer in introducing the very useful type of co-operative society to promote better living among its members. There are about 300 such societies in the Province which have been responsible for carrying out quite useful and important work by way of village uplift as well as their economic objective of strengthening the position of the agriculturist. With the active encouragement of popular ministries there have been indications that before long such societies would be established in great numbers in the other provinces also.

Despite the prominent position the Punjab occupies in the development of the co-operative movement, there has yet been only a beginning in the direction of land mortgage banks for the provision of long term loans to the agriculturists. At present there are only 12 co-operative land mortgage banks whole districts, the rest confining their operations to a single tehsil. Madras with its 38 primary land mortgage banks is the most progressive province in this respect. Bombay has 15 which have only recently started their operations. Though in the Punjab the Government guarantees the interest on debentures raised by these banks, thereby enabling them to meet all reasonable needs, there will have to be a Central land mortgage bank as in Bombay and Madras, to serve as starting point of a systematic development of land mortgage banking in the province.

The position as regards overdue loans in agricultural societies testifies to the soundness of the movement in the Punjab. Thus the share of the province in overdue loans by individuals is only 31 lakhs as against 11,66 lakhs for the whole of India. More striking are the percentage figures of overdue loans to working capital and loans due, which are 4 and 5 respectively as against 34 and 44 respectively for all-India.

While the non-credit side of the movement has made only meagre progress in India as a whole, the most remarkable instance of the development that has so far been made is to be found in the Punjab where the interesting but difficult experiment in the direction of consolidation of holdings through co-operation originated in the year 1920. As a result of patient work accomplished since then the movement for consolidation in the Punjab has assumed significant dimensions in the shape of an important agricultural reform.

INDUSTRIES

The Punjab is markedly deficient in its mineral wealth. Rocksalt, saltpetre and limestone for road building are the chief products. A few small coal mines are situated in the Jhelum, Shahpur and Mianwali districts. Gold-washing is a remunerative occupation along most of the rivers. Iron and copper ores though plentiful cannot be worked on a large scale owing to the difficulty of transport and the paucity of fuel resources within easy reach. The province possesses only 802 factories (compared with Bombay 1.611 factories, Bengal 1,667 and Madras 1,584), the majority of which are cotton ginning and pressing factories. Factory statistics for 1936 give the total number of workers employed in the factories as 63,962. Though the Punjab is not a large manufacturing province, it stands foremost in the large percentage of workers who are supported by small scale and cottage industries. Thus, while the percentage of total workers and working dependents supported by "industry" is 11.3 in Bombay, 8.8 in Madras and 11.7 in the U. P. the figure for the Punjab is as high as 17. Handloom weaving is one of the major cottage industries both as regards the number of workers engaged and the value of products. Production in blankets and woolen rungs is considerable. Amritsar is the chief centre of the carpet industry. Silk weaving is also widely carried on. Craftsmanship in gold, silver, ivory, brass, copper and earthenware is fairly widely distributed. Extraction and refinement of mineral oil is carried on in the Attock and Rawalpindi districts. Wah near Hassanabdal possesses a cement factory, Abdullapur, a paper and pulp mill and in Lyallpur there is a factory for the hydrogenation and refining of oils.

CENTRAL PROVINCES AND BERAR

The Central Provinces and Berar form roughly a great triangle of country midway between Bombay and Bengal. Their area is 131,557 square miles of which 80,637 are British Indian territory proper and 17,808 (*viz.* Berar) held in perpetual lease from H. E. H. The Nizam and the remainder held by Feudatory Chiefs. The population (according to the 1931 Census) is 15,323,058 in C. P. districts and Berar. Thus while C. P. and Berar proper are of the same area as the Punjab (99,200 sq. miles), the latter is more densely populated (23,580,852). The growth of population in the provinces during the last fifty years is 30 per cent. while the figure for the whole of India during the same period is 39 per cent. The following table sets forth the distribution of population in the several provinces.

	Province	Population per sq. mile	No. of inhabitants per 100 acres of crops sown
1.	Bengal ...	646	221
2.	C. P. and Berar ...	155	64
3.	Bombay ...	233	63
4.	Madras ...	329	151
5.	Bihar ...	608	133
6.	Orissa ...	387	84
7.	Assam ...	157	135
8.	North-West Frontier	179	105
9.	Punjab ...	238	86
10.	Sind ...	84	81
11.	U. P. ...	456	135
	India (British territory)	221	106

The physiography of the Central Provinces exhibits three distinct features. The Vindhyan plateau in the North-West, covered with poor and stunted forest descends steeply down its southern slopes into the rich wheat growing country of the Narmada (Nerbudda) valley. Further comes the high Satpura uplands of forest-covered hills alternating with deep water-cut ravines. The Satpura plateau declines into the Nagpur plain characterised by broad stretches of "deep" black cotton soil which make it one of the important cotton growing tracts of India and the wealthiest part of C. P. proper. The Eastern part of the plain forms the valley of the Wainganga and is mainly a rice-growing country watered by numerous irrigation tanks. In the Mahanadi basin further to the east lies the extensive rice country of Chhatisgarh. The south-eastern region of the province is again mountainous containing 24,000 square miles of forest and deep ravines—mostly inhabited by jungle tribes. Berar lies to the south-west and is chiefly characterised by its rich black cotton soil.

The population of the province is mixed. It is believed that before the Aryan invasion the whole of it was peopled by primitive tribes of whom the Gonds are the chief representatives to-day. The early inhabitants were forced to retreat into the inaccessible forests and hills as successive

waves of immigration flowed from all sides. The Gonds and other tribes now form nearly a quarter of the whole population of the Central Provinces, being found in large numbers in nearly all parts of the province. The last census reveals that a gradual Hinduising of the aboriginals is going on, the process of absorption being more or less civilising. The language divisions of the province illustrate the main divisions of the immigrant population. The Hindi speaking people who form 56 per cent. of the total population predominate in the North and East and those who speak Marathi (31 per cent.) in Berar and the West and Centre of the Central Provinces. A curious feature of the effects of successive invasion is illustrated in Berar where the Moslem population speak Marathi and numbers of whom have Hindu names, being descendants of former Hindu officials who on the Mohamedan invasion had adopted Islam. But the chief characteristic of the political and communal life of the provinces is the cleavage between the Hindi and the Marathi sections of the population, which has of late shown signs of intensification following the introduction of provincial autonomy. The following would be of help in making a comparative study of the occupation of the people in Central Provinces with that of Bengal and India:—

	C.P.	Bengal	India
	%	%	%
Exploitation of animals and vegetation ...	80	68	67.11
Exploitation of Minerals ...	0.2	0.2	0.28
Industry ...	8.8	8.8	9.97
Transport ...	1.2	2.0	1.58
Trade ...	4.4	6.8	5.15
Public Administration, professions and liberal arts ...	2.0	2.8	2.69
Others ...	3.9	11.4	13.32

The percentage of people living by the production of raw materials is, next to Assam (81.4%) the highest of all the other provinces. Figures for transport, trade and industry compare favourably with those of the major provinces. The percentage in C. P. in Public Administration, professions and liberal arts is less than that of India as a whole. This is reflected in the literacy statistics for the province.

Literate Females per thousand	Literate Males per thousand	Total Literates per thousand
9·9	102	60

Agriculture of course is the prime industry of the province in common with the rest of India and is assisted by one of the most efficient agricultural departments in India and is now receiving additional strength by a phenomenal growth of the co-operative credit movement. The land tenure is chiefly on the malguzari or landlord system ranging from the great Feudatory chiefships to holdings of small dimensions. Land legislation has been systematically undertaken to protect the individual cultivator. Land tenure in Berar is similar to that of the Bombay raiyatwari system. Excluding forest and waste 67 per cent. of the total land area of the Province is occupied for cultivation. The proportion averages 83 per cent. for the two most advanced districts in C. P. while the average figure for the Berar districts as high as 93 per cent. There has been a steady extension of the cultivated area except for temporary checks caused by bad seasons. Rice is the most extensive single crop, covering nearly 30 per cent. of the cropped area. Wheat comes next with over 15 per cent. then pulses and other cereals and oilseeds with nearly 50 per cent. and cotton nearly 6 per cent. 41 per cent. of the Berar cultivated area is occupied by cotton. The total out-turn of cotton in C. P. and Berar in 1935-36 amounted to 616,000 bales or nearly 16 per cent. of the total production for the whole of India. The corresponding figures for Linseed were 80,000 tons or nearly 24 per cent. C. P. comes next to U. P. (147,000 tons) in the annual production of this crop. Next comes Juar and then pulses and other cereals and oil seeds of the cropped area: Jower covers 36 per cent. then wheat and oil-seeds. Linseed covers nearly 52 per cent. of the total area under oilseeds.

The more important of the irrigation works in the Provinces are the Wainganga, Tandula, Mahanadi, Kharung and Maniari canals. It is estimated that during the last 37 years a sum of Rs. 7.25 crores has been expended on the construction of irrigation works by the State. The conditions in the provinces are such that irrigatnon works cannot be anything but unproductive and the only justification for their construction is their value as protection against famine.

The normal area under annual irrigation is now about 315,0060 acres, mainly rice, and the income from these works more than covers their maintenance costs.

	By Canals Govt.	By Canals Private	Area By Tanks	Area By wells	Irrigated (in Acres) Other Sources	Total Area Irrigated
C. P.	*	1,090,280		162,172	65,137	1,317,639

* Included under "Private Canals."

Central Provinces & Berar (1935-36)

Total Area	63,004,800 acres
Cultivated Not area actually sown ...	24,301,398 ,,
Current Fallows	3,958,846 ,,
Uncultivated Cultivable Waste other than Fallow	14,052,250 ,,
Not available for Cultivation ...	4,914,828 ,,
Forests	19,429 Square Miles.

One-fifth of the whole province forms the forest area, 16,090 square miles being Government Reserved forest in C. P. In Berar the forest area is about 3,339 sq. miles. Forest conservation is rendered difficulty and costly by the rugged nature of the country.

Forest Statistics—C. P. & Berar

Area of Province	98,573	Square miles
Reserved Forests	19,398	,,
Protected Forests	...	...
Total	19,398	,,
Percentage of forests to whole Area of Province	19·6	
Outturn of Produce		
(a) Timber fuel ...	49,406,000	c. ft.
(b) Minor Produce	20,95,469	c. ft.
Revenue	Rs. 49,39,304	
Expenditure	Rs. 35,39,350	
Simples	Rs. 13,99,954	

Statistics of the Co-operative movement in India show that progress in different parts of India has not been uniform. Bengal, the Punjab and Madras have the largest number of Societies—while the other major provinces like Bombay, Bihar and Orissa, the U. P. and the C. P. and Assam show distinctly smaller figures. Thus the Punjab with about 22,500 societies (for 1935-36) stands first in the number of societies 89 per one lakh inhabitants. In 1935-36 in C. P. the total number of members of primary societies was only 61,587 or 6.6 per thousand inhabitants. The corresponding figures for the Punjab, Madras and Bombay were 30.8, 28.1 and 18.1. The working capital of the co-operative organisation in 1935-36 amounted to only Rs. 540 lakhs in C. P. corresponding to 58 as. per head of population. An important test of the success or otherwise of a co-operative credit society is undoubtedly the promptness in repayment of loans by members and it is in this respect that one has to acknowledge that in India the societies have not attained any great measure of success. Thus while for all India, the overdue loans were 34 per cent. of the working capital and 44 per cent. of the total loans due by individuals on the 30th June, 1936, the corresponding figures in C. P. were as high as 65 and 82 and for Bihar and Orissa 65 and 87. The growth of overdue loans is a disquieting portent and reflects badly on the soundness of the co-operative structure as a whole. This tendency can best be arrested by a tighter control of the loan advancing machinery and thereby preventing the sanctioning of loans for unproductive though necessary social or domestic purposes.

The followingtable gives the percentage of overdue loans in Agricultural societies to (a) working capital (b) loans due:—

Overdue Loans in Agricultural Societies, 1935-36
(in lakhs of rupee)

Province		Working Capital	Loans due by individuals	Overdue loans by individuals	Percentage of overdue loans to Working Capital	Percentage of overdue loans to Loans Due.
1 Central Provinces and Berar	...	1,80	1.04	85	65	82
2 Bengal	...	3,25	2,61	1,42	44	54
3 Bombay	..	6,15	4,06	3,28	53	81
4 Punjab	...	8,67	6,76	31	4	5
5 Madras	..	5,85	4,47	2,10	36	47
6 United Provinces	...	1,06	78	38	35	49
7 Behar & Orissa	...	2,04	1,52	1,32	65	87
8 Sind	...	89	72	16	18	22
9 assam	...	33	21	20	61	95
Mysore	...	54	48	28	52	58
Baroda	...	35	29	13	87	45
Hyderabad	...	82	58	...	...	...
Gwalior	...	31	47	35	1.13	74
Kashmir	...	54	41	6	11	15
Travancore	...	36	29	20	56	69
Others	...	97	82	12	12	15
TOTAL		34,60	25,52	11,66	34	44

The non-credit side of the co-operative mvement in common with the rest of India has not made any headway in the Central Provinces. Of the 5,150 societies in India in 1936, the Punjab claimed 1,727, Bengal 1,322, the U. P. 915, Madras 443 and C. P. 67.

Province		Purchase & Sale	Production	Production & Sale	Other forms of Cooperation	Total
Madras	...	91	...	13	330	443
Bombay	...	56	17	77	134	284
Sind ...	...	3	...	15	13	31
Bengal	...	73	957	246	46	1,322
Bihar & Orissa	...	3	1	7	13	24
U. P. ...	...	1	...	411	503	915
Punjab	...	18	217	1,398	94	1,727
Burma	...	1	5	10	...	16
C. P. & Berar	...	44	14	9	...	67
Mysore	...	23	...	17	41	81
Baroda	...	10	27	20	97	154
Other Areas	...	25	3	35	23	86
Total ...	...	348	1,241	2,258	1,303	5,150

The important industries of the province are cotton textiles, manganese and coal mining and marble quarrying. The largest numbers engaged in any of the modern industrial concerns are emplcyed in manganese mining which in 1936 employed 14,884 persons and raised 568,806 tons. It may here be mentioned that the most important deposits of manganese ore in India occur in the C. P., Madras, Central India and Mysore—the largest supply coming from the C. P. "In none of the major Indian mineral industries have the effects of the great slump been so seriously feet as in the manganese industry; it is gratifying, therefore, that some measure of recovery can now be recorded though the value of the output is still less than half the peak figure of 1927." (The Indian Year Book).

Recovery in 1936 was marked by substantial increases in production in the Balaghat, Nagpur and Bhandara districts of the C. P. The improvement is illustrated by the following figures of production 1933-28, 789 tons; 1936—568,806 tons. The amount of ground still to be recovered can be judged by comparing the 1936 figures with the level reached during the quinquennium 1924-28 *viz.*, an average of 660,559 tons annually. The opening of the new port at Vizagapatam (remarks the Indian Year Book) has been the brightest feature in the Indian manganese industry during the last four years on account of the reduced lead from the Central Provinces to the sea. The United Kingdom retains her position as the chief importer of Indian manganese ore, the U. S. coming second.

Nagpur is the chief centre of a busy cotton spinning and weaving industry, the

first mills—The Empress Mills owned by Parsi manufacturers having been opened there in 1877. The total amount of Indian yarn exported from the province during the year 1936-37 was 201,105 maunds. The Punjab, Bombay, C. P. and Hyderabad, are the chief producing centres of cotton in that order.

Provinces & States	1935-36 (Provincial Estimates) Acres in thousands	Bales of 400 lbs. in thousands	1936-37 (Provincial Estimates) Acres in thousands	Bales of 400 lbs. in thousands
Punjab (a) ...	3,519	1,582	3,692	1,920
Bambay (a) ...	6,637	1,369	5,894	1,145
Central Provinces & Berar ...	4,068	616	3,969	810
Hydrabad ...	3,698	569	3,080	499
Central India...	1,201	180	1,407	202

Coal mining in the province, with an output of 1,507,986 tons employs 12,731 workers. Then follow the Jubbulpore marble quarries and allied works, the limestone quarries and the mines for pottery clay soapstone, etc.

The total number of factories legally recognised as such as 1,033 in 1936 the number of workers employed being 63,186.

The province as a whole is yet in the early stages of industrialisation. The general economic influences operating elsewhere in India are equally at work in the C. P. the old village industries gradually losing their hold everywhere, with the improvement of communications and the concentration of new industries in the towns.

The new orientation given by the Congress Governments in the provinces to labour problems has had its effect in Central Provinces where Government following the lead of Bombay, the U. P. and Bihar appointed a committee to enquire into the wages and conditions of labour in the cotton and textile industries. The report was published in May, 1938, and its recommendations are being implemented.

The position of the joint-stock enterprise in the C. P. is given in the following table:

	Foreign Companies Registered in India	Registered in C.P. & Berar
Banking and Loan ...	6	...
Insurance ...	11	...
Trading and Manufacturing	36	1
Coal Mining	6	...
Other Mining and Ranigunj	...	2
Cotton Mills	3	...
Cotton Gunning Pressing etc.	5	
Estate, Land and Building ...	1	
Others	10	
Total ...	78	

Financial Outlook.

The Niemeyer settlement provided a net benefit of about Rs. 18¾ lakhs a year in the shape of (1) remission of outstanding debt for past revenue deficits (Rs. 67.34 lakhs) (2) remission and cancellation of pre-1921 Irrigation debt amounting to Rs. 371.61 lakhs and (3) accommodation on terms of long-term repaymet of outstanding balances of pre-autonomy debt due to the Central Government (Rs. 3.30 crores). For the first time the province has raised a permanent public loan of Rs. 50 lakhs for repaying short-terms loan of 1936-37 from the Central Government and financing a part of the current capital expenditure. Debt remission and cancellation and decentralisation of balances have resulted in relief to the province of a total liability of about Rs. 439 lakhs out of the outstanding pre-autonomy debt of Rs. 815 lakhs leaving a balance of Rs. 376 lakhs. Thus the total outstanding debt at the close of the year will be Rs. 426 lakhs. In addition, provident fund deposits of local funds and civil deposits, etc., amount to an unfunded liability of Rs. 214 lakhs. Stamp revenues have continued to fall, mainly due to the operation of Debt Conciliation Boards but steps have been taken to increase the revenue resulting in an improvement of Rs. 3 lakhs. Measures for administrative economy are being explored. For financing prohibition and other sources of ameliorative and development measures new taxation schemes are being worked out. But despite the fact that the budget has been balanced the financial outlook continues to be a source of anxiety to the province, dependent as it is one or two major sources of revenue which are by no means elastic.

Distribution of Population According to Residence and Education

Provinces		Males: Total Population	Males: Illiterate	Males: Literate	Males: Literate in English		Females: Total Population	Females: Illiterate	Females: Literate	Females: Literate in English
Madras		23,082,999	19,376,024	3,706,975	508,309		23,657,108	23,045,203	611,905	71,055
Bombay (Exclusive of Aden) ...	(a)	11,503,588	9,741,533	1,730,010	313,138	(i)	10,375,565	10,056,827	273,375	57,702
Aden	(b)	32,345	24,522	7,803	2,865	(j)	19,133	18,349	782	477
Bengal		26,041,698	22,008,436	4,033,262	960,396		24,072,304	23,411,853	660,451	98,582
United Provinces		25,445,006	23,401,596	2,043,410	240,140		22,963,757	22,747,529	216,228	26,027
Punjab		12,880,510	11,783,466	1,097,044	230,390		10,700,342	10,549,629	150,713	19,217
Burma	(c)	7,490,601	3,844,886	3,635,790	130,976	(k)	7,176,545	6,156,323	1,010,298	30,714
Bihar and Orissa		18,794,138	17,219,632	1,574,506	157,149		18,883,533	18,754,078	129,360	12,785
Central Provinces and Berar ...		7,761,818	6,970,837	790,931	81,964		7,745,905	7,669,121	76,784	9,309
Assam		4,537,206	3,945,516	591,690	84,873		4,085,045	4,010,419	74,626	4,730
North-West Frontier Province ...		1,315,818	1,226,760	89,058	23,921		1,109,258	1,097,950	11,308	1,796
Baluchistan		270,004	238,018	31,986	9,939		193,504	189,646	3,858	1,523
Ajmer-Mewara		296,031	244,603	51,478	11,334		264,211	256,423	7,783	1,566
Coorg...		90,575	70,683	14,692	3,279		72,752	67,308	5,444	703
Delhi		369,497	296,120	73,377	29,105		266,749	250,654	16,095	4,080
Andamans and Nicobars	(d)	19,702	15,070	3,815	875	(l)	9,761	8,724	834	86
Total British Provinces ...	(e)	139,931,556	120,407,702	19,481,077	2,788,653	(m)	131,595,377	128,290,241	3,249,344	340,352
States										
Baroda		1,257,817	902,750	355,067	30,218		1,185,190	1,105,523	79,667	1,804
Central India		3,405,438	3,136,893	268,545	26,918		3,227,352	3,201,780	25,572	2,745
Gwalior		1,867,031	1,740,884	126,147	12,717		1,656,039	1,640,844	15,195	897
Hyderabad		7,370,010	6,842,416	527,594	65,329		7,066,138	6,998,099	68,039	7,517
Cochin		589,813	364,388	225,425	28,533		615,203	501,414	113,789	8,442
Travancore		2,565,073	1,698,760	866,313	65,500		2,530,900	2,179,289	351,611	15,151
Mysore		3,353,963	2,849,523	504,440	78,419		3,203,339	3,113,253	90,086	13,041
Rajputana		5,885,028	5,504,140	330,888	23,133		5,340,684	5,315,426	25,258	1,663
Other Indian States		15,603,194	13,196,594	1,234,255	129,047		14,588,633	13,388,311	150,544	6,271
Total Indian States ...	(g)	41,897,367	36,236,348	4,488,674	464,814	(n)	39,413,478	37,443,939	919,761	57,581
Grand Total	(h)	181,823,923	156,644,050	23,969,751	3,253,467	(p)	352,837,778	322,378,230	28,138,856	3,651,350

(a) Not enumerated by literacy 32,015 Males
(b) " " " 20 "
(c) " " " 9,925 "
(d) " " " 817 "
(e) " " " 42,777 "
(g) " " " 1,172,345 "
(h) " " " 1,215,122 "

(i) Not enumerated by literacy 45,363 Females
(j) " " " 2 "
(k) " " " 9,724 "
(l) " " " 703 "
(m) " " " 55,792 "
(n) " " " 1,105,570 "
(p) " " " 2,320,692 "

Number of workers (in thousands) in Indian States classified According to occupation.

Occupations	Hydera-bad	Raj-putana	Central India	Mysore	Madras States	Baroda	U. P. States	Central Province	Gwalior	N.-W.F. States	Other Indian States	Total Indian States
A.—Production of Raw Materials ...	4,446	4,535	2,724	2,373	1,162	890	531	1,115	1,869	4	8,125	27,306
i Exploitation of the surface of the earth	4,412	4,526	2,720	2,361	1,658	838	531	1,115	1,336	4	7,630	27,211
(1) Pasture and Agriculture ...	4,295	4,526	2,711	2,359	1,608	836	530	1,112	1,335	4	10,804	27,000
(2) Fishing and Hunting ...	117	...	9	2	50	2	1	3	1	...	26	211
ii Extraction of Minerals ...	34	9	4	12	4	2	...	...	3	...	27	95
B.—Transformation and Employment of Raw Meterials	2,103	1,147	539	50	833	230	78	135	289	5	2,102	7,511
iii Industry	824	751	335	294	527	139	49	92	187	2	1,037	4,242
iv Transport	351	58	36	40	63	17	3	10	10	1	134	723
v Trade	923	338	168	167	243	74	26	33	92	2	430	2,546
C.—Public Administration and Liberal Arts	297	302	126	120	120	63	14	15	61	35	342	1,495
vi Public Force	55	59	37	21	6	16	3	5	19	34	18	332
vii Public Administration ...	93	72	48	52	26	15	4	4	16	1	109	440
viii Profesions and Liberal Arts ...	144	171	41	47	88	32	7	6	26	...	156	723
D.—Miscellaneous	922	384	236	235	1,337	93	27	30	203	2	1,566	5,086
ix Persons living on their own Income	23	7	5	8	8	7	...	...	2	...	24	84
x Domestic services	534	92	60	40	1,142	8	10	14	32	...	720	2,652
xi Insufficiently described occupations	196	199	171	158	179	72	13	9	143	2	750	1,842
xii Others	169	86	50	21	8	6	4	7	26	...	131	508
Grand Total ...	7,768	6,358	3,675	3,230	3,952	1,276	630	1,295	1,922	45	34,,181	4,139

Number of Workers (in thousands) in British India classified According to occupation.

Occupations	Madras	Bombay	Bengal	United Province	Punjab	Burma	Bihar and Orrisa	C.P. and Berar	Assam	N. W. F. Prov.	Baluchistan	Ajmer Merwara	Coorg	Delhi	Andamans	Total British Prov.
A.—Propuction of Raw Meterials ...	13,203	5,889	10,613	19,660	5,430	4,558	12,873	6,987	3,603	587	140	198	63	73	11	83,858
i Exploitation of surface of earth	13,189	5,876	10,568	19,653	5,424	4,516	12,733	6,963	3,587	557	139	197	63	72	11	83,548
(1) Pasture and Agriculture ...	13,008	5,998	10,350	19,621	5,419	4,439	12,650	6,901	3,505	557	139	197	63	72	11	82,750
(2) Fishing and Hunting ...	181	78	218	32	5	77	83	62	82	...	...	...	...	...	...	818
ii Extrction of Minerals ...	14	18	45	7	6	42	140	24	16	...	1	1	...	1	...	310
B.—Transformation and Employment of Raw Materials ...	4,109	1,771	2,763	4,738	2,448	1,680	2,273	1,224	596	200	50	78	11	134	3	22,128
iii Industry	2.526	1,068	1,383	3,140	1,664	786	1,362	746	355	113	17	41	5	75	1	13,282
iv Transport	377	213	313	237	214	276	158	111	77	22	17	15	2	22	1	2,055
v Trade	1,206	490	1,067	1,361	520	618	753	417	164	65	16	22	4	37	1	6,791
C.—Public Administrations and Liberal Arts	620	365	444	520	378	290	289	188	80	78	31	16	2	24	2	3 324
vi Public Force	62	147	69	109	89	31	44	48	13	44	24	4	1	9	1	609
vii Public Administration ...	179	153	52	86	93	52	18	48	13	11	3	3	1	7	1	714
viii Professions and Liberal Arts ...	379	927	323	325	196	207	227	92	54	23	4	9	...	8	...	2,001
D.—Miscellaneous	10,652	25	1,788	1,543	702	135	1,679	362	113	77	11	26	49	48	5	18,117
ix Persons living in their own income	30	192	28	34	52	8	2	6	2	4	1	2	..	2	...	896
x Domestic Service	7,690	518	876	541	242	45	212	102	34	15	7	6	36	24	1	10,022
xi Insufficiently Described occupations	2,763	...	673	740	212	57	1,373	183	44	45	1	13	13	19	4	6,658
xii Others	169	192	212	228	196	25	92	71	33	13	2	5	...	3	...	1,241
Grand Total ...	28,584	8,952	15,608	26,461	8,938	6,663	17,114	8,808	4,392	912	232	318	175	272	21	127,427

Population and Constitution of Municipalities, with Income and Expenditure

Province	No. of Munici-palities	Population within Municipal Limits	No. of Mem-bers of Com-mittee	Classification of Members: Official	Classification of Members: Non-Official	Income (excluding Balances): From Rates and Taxes	Income (excluding Balances): From other Sources (including Extra-ordinary and Debt)	Income (excluding Balances): Total	Incidence per Head of Population: Rates and Taxes	Incidence per Head of Population: Total Income (exclud-ing Extra-ordinary and Debt)	Expenditure
						Rs.	Rs.	Rs.	Rs. A. P.	Rs. A. P.	Rs.
Madras (excluding Madras City)	81	3,068,095	1,769	...	1,769	1,00,87,880	1,15,52,847	2,16,42,727	3 4 7	5 4 10	2,08,33,091
Madras City	1	647,228	50	1	49	45,82,980	60,36,065	1,06,19,045	7 1 4	9 15 6	1,01,47,736
Bombay (excluding Bombay City)	155	3,285,119	3,069	175	2,894	1,97,65,423	2,69,72,150	4,67,37,573	6 1 9	8 1 10	4,58,46,199
Bombay City	1	1,161,383	112	4	108	2,61,26,571	15,74,21,971	18,35,48,542	22 7 1	27 8 4	18,16,13,722
Bengal (excluding Calcutta) ...	117	2,295,835	1,687	104	1,583	74,29,189	26,34,674	1,00,63,863	3 3 10	3 14 5	99,57,229
Calcutta .. .	1	1,158,044	96	1	95	1,99,36,280	1,36,44,948	3,35,81,228	17 3 5	20 8 0	3,37,43,647
United Provinces	85	3,410,890	1,164	11	1,153	1,19,02,596	65,22,630	1,84,25,226	3 7 10	5 1 10	1,84,29,781
Punjab	117	2,543,836	1,314	109	1,205	93,80,759	57,50,742	1,51,31,501	3 11 0	5 11 0	1,54,44,912
Burma (excluding Rangoon) ...	58	913,511	810	89	721	33,46,255	38,84,201	72,30,456	3 10 7	7 5 3	70,95,228
Rangoon	1	422,379	33	4	29	61,11,660	41,49,518	1,02,61,178	14 7 6	20 14 11	1,04,30,283
Bihar and Orissa	61	1,492,276	921	94	827	26,00,738	40,12,398	66,13,136	1 11 11	3 10 2	54,55,780
Central Provinces and Berar ...	75	1,405,652	1,326	24	1,302	45,52,370	30,57,892	76,10,262	3 3 10	4 13 3	75,84,801
Assam	26	216,213	334	32	302	7,92,165	4,30,548	12,22,713	3 10 7	5 7 11	12,08,712
North-West Frontier Province ...	7	217,195	129	15	114	10,52,283	5,63,357	16,15,640	4 13 6	7 2 1	15,68,194
British Baluchistan	1	34,146	38	5	33	4,72,766	1,98,932	6,71,698	13 13 7	17 4 9	6,50,355
Ajmer-Merwara	4	157,751	52	5	47	5,06,359	2,79,382	7,85,741	3 3 5	4 12 0	7,17,290
Coorg	5	13,590	61	19	42	26,875	23,412	50,287	1 15 9	3 11 1	49,187
Delhi	1	347,592	38	3	35	19,73,389	15,77,670	35,51,059	5 10 10	9 1 8	38,04,582
Bangalore	1	134,123	31	8	23	7,83,186	6,53,147	14,36,333	5 13 6	9 7 7	14,09,481
Total, 1934-35 ...	798	22,875,859	13,034	703	12,331	13,14,31,721	24,93,66,484	38,07,98,208	5 12 0	7 15 3	37,59,90,210
						(a)	(a)	(a)			(a)
Totals ... 1933-34 ...	794	22,794,372	13,089	737	12,352	12,88,36,972	23,81,75,241	36,70,12,213	5 10 5	7 11 7	36,18,22,123
1932-33 ...	789	22,794,424	13,155	747	12,408	12,56,40,289	26,53,28,941	39,09,69,230	5 8 2	7 9 3	38,85,79,310
1931-32 ...	785	22,432,939	13,019	779	12,240	12,43,79,536	23,84,27,284	36,28,06,820	5 8 8	7 10 9	36,72,67,108
1930-31 ...	781	21,230,470	12,776	797	11,979	12,68,32,031	23,91,38,319	36,59,70,350	5 15 7	8 4 6	36,24,59,576
1929-30 ...	777	19,113,474	12,781	817	11,964	12,64,87,177	25,13,03,813	37,77,90,990	6 9 11	9 5 9	37,70,26,801
1928-29 ...	776	19,101,091	12,732	870	11,862	12,29,36,711	20,81,70,913	33,11,07,624	6 7 0	9 1 5	33,14,79,482
1927-28 ..	774	19,086,615	12,677	891	11,786	11,96,38,507	24,25,00,743	36,21,39,250	6 4 3	8 14 7	36,60,59,468
1926-27 ..	771	19,062,813	12,586	902	11,684	11,68,32,172	26,13,80,999	37,82,13,171	6 2 1	8 13 3	37,88,69,593
1925-26	767	18,959,324	12,468	932	11,536	11,43,10,052	30,32,74,461	41,75,84,513	6 0 6	8 8 9	41,29,51,014

(a) Revised.

Income of Municipalities

Sources of Income	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
MUNICIPAL RATES AND TAXES:										
Octroi ...	1,76,59,664	1,70,08,486	1,41,46,326	1,69,88,477	1,69,21,077	1,58,90,507	1,45,87,374	1,51,33,230	1,54,39,979	1,48,90,014
Tax on houses and lands	4,42,36,568	4,49,74,004	4,64,76,566	4,75,86,239	4,87,26,085	4,94,80,367	5,01,84,304	4,88,96,007	5,14,99,260	5,30,24,718
Tax on animals and vehicles ...	40,41,349	39,54,839	42,22,396	44,10,545	48,92,119	47,87,735	42,89,570	45,29,891	44,40,642	47,31,301
Tax on professions and trades ...	30,99,245	31,25,712	31,26,541	31,31,712	33,57,489	32,13,926	31,22,576	31,07,649	31,76,407	31,71,476
Tolls on roads and ferries ...	32,20,487	31,73,645	33,94,453	36,05,202	36,94,479	36,66,790	27,01,586	31,04,933	29,24,328	24,08,418
Water rate ...	1,75,87,582	1,89,79,100	1,86,67,877	1,88,90,710	1,97,66,653	1,97,97,690	1,96,14,390	2,03,15,042	2,02,78,485	2,07,07,765
Lighting rate ...	15,92,714	16,13,741	17,65,383	18,84,241	21,46,111	19,24,897	21,22,353	19,61,759	22,90,040	25,91,758
Conservancy rates	1,02,19,077	1,05,21,748	1,10,12,325	1,13,27,847	1,17,94,356	1,20,74,451	1,22,75,501	1,21,14,810	1,14,17,296	1,19,62,958
Other taxes ...	1,26,53,360	1,34,75,897	1,63,26,640	1,51,11,738	1,51,88,808	1,59,95,668	1,54,81,882	1,64,76,968	1,73,70,535	1,79,43,326
TOTAL ...	11,43,10,052	11,63,32,172	11,96,38,507	12,29,36,711	12,64,87,177	12,68,32,031	12,43,79,536	12,56,40,289	12,88,36,972	13,14,31,724
REALISATIONS UNDER SPECIAL ACTS:										
From Pounds Hackney Carriages, Licences for Sale of Spirits and Drugs, etc. ...	17,77,150	16,93,915	16,87,656	17,04,334	16,48,012	15,80,691	15,20,924	14,91,706	15,14,745	16,93,856
OTHER SOURCES OF REVENUE:										
Rents of lands, houses, etc. ...	41,06,207	45,05,468	45,12,086	47,26,553	46,46,100	49,35,527	49,15,788	51,45,459	51,17,143	52,33,155
Sale proceeds of lands and produce of lands, etc. ...	17,42,928	20,64,883	17,98,429	19,36,905	19,87,943	15,28,706	15,34,066	18,26,457	12,36,804	12,88,199
Conservancy receipts (other than rates), etc.	12,45,801	12,12,941	12,90,927	12,99,826	12,94,326	12,12,785	10,02,940	10,17,926	9,35,897	9,82,568
Carried over ...	70,94,936	77,83,292	76,01,442	79,63,284	79,28,369	76,77,018	74,52,794	74,89,842	72,89,844	75,08,922

Income of Municipalities—(*contd.*)

6

Sources Income	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward...	70,94,936	77,83,292	76,01,442	79,63,284	79,28,369	76,77,018	74,52,794	74,89,842	72,89,844	75,03,922
Receipts from markets and slaughter houses	88,97,754	88,95,260	92,83,424	96,68,986	96,62,050	94,60,106	92,16,946	91,96,490	92,98,825	94,11,001
Fees rom educational institutions ...	12,07,527	13,18,861	12,18,287	12,64,839	13,58,974	13,98,893	14,79,093	15,04,819	15,75,498	16,09,749
Other Fees, etc. ...	79,39,745	91,21,584	66,67,147	76,92,717	81,39,922	72,15,775	73,58,734	84,18,887	87,47,979	85,65,497
Fines	10,57,827	8,99,304	11,50,861	11,23,536	14,04,083	13,16,395	7,55,589	11,23,159	10,79,059	11,49,861
Grants from Government ...	1,10,11,711	1,19,96,065	98,43,543	97,74,416	1,03,60,932	1,05,67,542	87,56,402	83,89,540	83,44,923	94,96,118
Grant from Local Funds ...	9,72,973	18,37,715	10,72,739	13,14,188	8,64,773	6,96,129	6,27,065	5,59,303	4,98,296	6,79,656
Other grants and contributions	5,53,412	4,08,962	7,13,360	13,05,500	13,92,448	7,20,548	6,93,884	3,62,245	4,33,609	5,79,994
Miscellaneous ...	72,00,417	75,47,473	1,11,75,423	88,67,021	96,06,194	82,96,644	98,58,390	85,93,868	84,32,081	97,36,903
TOTAL ...	4,59,41,302	4,98,08,516	4,87,26,226	4,89,74,487	5,07,17,745	4,73,49,050	4,61,98,897	4,56,38,153	4,57,00,114	4,87,32,201
EXTRAORDINARY AND DEBT :										
Sale proceeds of securities. etc....	6,72,17,334	5,21,21,139	4,96,01,289	3,97,30,524	5,30,25,261	5,03,93,889	5,69,86,528	6,78,51,402	4,35,01,341	5,04,29,489
Loans from Government ...	1,22,17,350	1,20,41,793	89,15,433	18,58,094	39,28,211	29,25,537	9,82,873	10,28,722	27,55,168	35,59,268
Loans raised from private individuals .	2,05,47,313	59,88,832	64,22,238	(c)95,36,296	(c)2,05,96,377	(c)1,98,25,107	(c) 68,20,965	(c)1,34,18,491	68,39,797	71,53,406
Realisation of sinking fund ...	80,74,907	83,47,167	90,41,606	39,57,572	34,46,432	44,29,335	45,72,885	65,63,236	83,69,149	67,36,808
Advances ...	1,74,76,615	1,73,26,506	2,05,10,000	2,16,93,782	1,91,01,360	2,68,49,521	1,61,14,418	1,54,54,277	1,64,35,551	1,49,90,462
Deposits ...	12,97,56,604	11,25,90,771	9,75,96,290	8,07,15,824	8,68,63,640	8,23,38,401	10,·9,64,955	11,11,79,875	11,13,05,793	11,10,87,768
TOTAL ...	(a) 25,55,56,009	(b) 20,98,78,568	19,20,86,861	15,74,92,092	(d) 19,89,38,056	(d) 19,02,08,578	(d) 19,07,07,463	(d) (e) 21,81,99,082	(d) (e) (f) 19,08,78,359	(d) (e) (f) 19,89,40,932
GRAND TOTAL ..	41,75,84,513	37,82,13,71	36,21,39,250	[illegible].11,07,624	37,77,90,990	36,59,70,350	36,28,06,820	39,(·9,69,230	36,70,12,213(g)	38,07,98,208

(a) Includes Rs. 2,21,350 the total of certain miscellaneous realisations in the Bombay Presidency, and Rs. 43,936 the sale proceeds of municipal land and site, etc., in British Baluchistan. (b) Includes Rs. 14,62,360 not shown in the details in the Bombay Presidency. (c) Includes Rs. 10,77,801, Rs. 13,09,859, Rs. 11,38,027, Rs. 9,86,916 and Rs. 13,99,963 being the total receipts from loans in the Madras Presidency in 1928-29, 1929-30, 1930-31, 1931-32 and 1932-33 respectively. (d) Includes Rs. 1,19,76,775, Rs. 34,46,788, Rs. 42 64,839, Rs. 26, 11,088 Rs. 14,69,089 and Rs. 45,57,962 not shown in the details in the Bombay Presidency in 1929-30, 1930-31, 1931-32, 1932-33, 1933-34 and 1934-35 respectively. (e) Includes Rs. 81,756 and Rs. 10,235 in 1932-33 Rs. 61,108 and Rs. 9,77 in 1933-34, and Rs. 1,35,826 and Rs. 10,870 in 1934-35 in Central Provinces and British Baluchistan respectively. (f) Includes Rs. 8,459 as miscellaneous receipts of capital nature and Rs. 1,23,527 as land sales premia in 1933-34 and Rs. 37,989 as miscellaneous receipts of Capital nature Rs. 1,77,830 as land sales premia Rs. 59,178 as premia on loan and Rs. 4,076 as General Fund held in 1934-35 in Karachi. (g) Includes Rs. 82,023 not shown in the details in Burma.

Expenditure of Municipalities

Heads of Expenditure	1920-21	1925-26	1930-31	1931-32	1932-33	1933-34	1934-35
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
General Administration and Collection Charges	1,13,44,455	1,48,66,683	1,65,94,612	1,65,98,265	1,67,95,113	1,71,98,548	1,77,49,102
Public Safety—							
Lighting	63,29,367	79,69,467	1,06,48,586	1,10,44,663	1,11,00,916	1,11,22,201	1,18,83,288
Police	79,777	83,079	75,483	72,205	77,503	73,740	72,552
Fire, etc.	14,07,946	16,32,738	16,14,131	16,15,085	14,84,529	14,84,639	15,05,210
Total ...	78,17,090	96,85,284	1,23,38,200	1,27,31,953	1,26,62,948	1,26,80,580	1,34,61,050
Public Health and Convenience—							
Water supply (including capital outlay)	1,16,87,819	2,79,99,439	2,42,56,242	1,70,52,167	1,53,18,723	1,51,56,543	1,59,70,504
Drainage (including capital outlay) ...	96,75,094	1,06,34,081	82,57,665	81,88,575	76,55,927	70,44,590	78,97,462
Conservancy	2,14,90,855	2,59,46,603	2,63,42,814	2,59,03,754	2,51,86,023	2,54,83,098	2,46,24,673
Hospitals and Dispensaries and Vaccination	66,61,163	88,01,393	92,06,397	88,77,911	91,50,023	88,24,887	94,32,769
Plague charges	4,79,267	3,53,313	3,19,979	3,05,895	3,10,654	4,72,377	4,64,658
Markets and slughter-houses	39,80,805	44,93,260	30,85,743	27,95,634	25,24,196	26,44,365	25,02,564
Arboriculture, public gardens, etc. ...	12,12,586	25,57,127	14,85,058	12,73,449	12,16,208	12,89,451	12,74,333
Sanitary	27,78,407	31,67,510	44,64,404	42,65,383	37,99,374	39,88,009	51,91,066
Public Works—							
Roads	1,37,96,609	1,52,40,862	1,61,98,128	1,35,96,785	1,27,12,745	1,24,71,371	1,27,01,731
Buildings	31,00,996	20,97,946	25,41,559	23,69,546	21,73,241	24,85,172	26,64,445
Establishment	25,70,453	30,21,244	41,56,230	39,15,386	36,22,192	34,52,524	36,37,463
Stores	2,43,209	2,70,001	2,60,318	2,84,984	2,22,904	2,60,737	3,03,241
Miscellaneous	13,14,223	58,092	14,23,583	13,73,716	13,61,408	11,65,793	12,85,631
Total ...	(a)7,89,92,395	(c)10,46,52,751	10,19,98,155	9,02,03,185	8,52,53,618	8,47,38,917	8,79,50,540
Public Instruction	1,07,23,577	1,61,64,543	2,14,23,327	2,16,28,080	2,17,31,756	2,18,58,325	2,24,65,586
Contributions for general purposes ...	38,13,165	58,01,838	(e)62,18,043	(e)62,83,341	64,99,104	73,94,125	76,83,471
Miscellaneous—							
Interest on loans	81,77,345	1,48,93,225	1,78,58,670	1,81,28,606	1,79,33,578	1,74,85,468	1,70,10,063
Other Miscellaneous Expenditure ...	96,39,109	1,58,47,905	1,03,46,303	1,08,61,803	1,06,92,964	1,14,58,173	1,19,62,295
Total ...	1,78,16,454	3,07,41,130	2,82,04,973	2,89,90,409	2,86,26,542	2,89,43,641	2,89,72,358
Extraordinary and Debt—							
Investments	3,82,38,756	5,83,03,019	5,18,60,269	5,45,06,309	6,90,36,464	4,45,80,624	5,26,25,735
Payments to sinking funds	27,39,540	63,84,065	56,06,429	59,11,144	63,37,860	80,44,788	75,90,172
Repayment of loans	98,32,207	1,19,86,175	1,05,71,983	92,55,356	1,46,80,015	1,40,75,231	1,17,82,190
Advances	2,12,92,830	2,82,04,607	2,24,23,495	1,85,96,801	1,74,46,142	1,75,67,829	1,55,,79,083
Deposits	6,76,78,992	12,53,75,133	8,14,83,039	9,86,60,356	10,87,12,538	10,42,70,391	10,96,36,180
Total ...	(b)14,03,28,619	(d)23,10,38,780	(f)17,55,77.261	(g)19,08,31,855	(i)21,70,10,229	(j)18,89,23,672	(k)19,77,07,751
GRAND TOTAL ...	27,08,35,755	41,29,51,014	36,24,59,576	(h)36,72,67,108	38,85,79,310	(h)36,18,22,123	(h)37,59,90,210

(a) Includes Rs. 909 as Leper Asylum contribution, etc., in the Municipalities in Bihar and Orissa. (b) Includes Rs. 70,000 paid towards Improvement Trust Fund and Rs. 1,642 towards Repair Funds in the Municipalities in Bombay, and Rs. 4,74,592, for plant and machinery in Bombay City Municipality. (c) Includes Rs. 11,880 in the Bombay Presidency not shown in the details. (d) Includes Rs. 71,309 in the Bombay Presidency, Rs. 1,81,017 in Bombay City and Rs. 28,455 in British Baluchistan not shown in the details. (e) Includes Rs. 5,145 and Rs. 5,170 being contributions for medical purposes in Coorg in 1930-31 and 1931-32, respectively. (f) Includes Rs. 36,17,457 and Rs. 1,14,598 in Bombay Presidency and Bombay City respectively, not shown in the details. (g) Includes Rs. 38,41,760, Rs. 59,907 and Rs. 232 in Bombay Presidency, Bombay City and Bengal respectively not shown in the details. (h) Includes Rs. 10 in 1931-32, Rs. 84,315 in 1933-34 and Rs. 352 in 1934-35, in Burma, not shown in the details. (i) Includes Rs. 6,76,773, Rs. 1,18,853 and Rs. 1,584 in Bombay Presidency, Bombay City and Ajmer-Merwara respectively, not shown in the details. (j) Includes Rs. 2,76,681, Rs. 98,719 and Rs. 9,409 in Karachi, Bombay City and British Baluchistan respectively, not shown in the details. (k) Includes Rs. 4,09,460, Rs. 71,911 and Rs. 13,020 in Karachi, Bombay City and British Baluchistan respectively, not shown in the details.

Income and Expenditure of District and Local Boards.

Province	No. of Boards	No. of Members: Elected	No. of Members: Ex-officio and Nominated	Income (excluding Balance): Provincial Rates	Income: Civil Works	Income: Other Sources	Income: Total	Incidence per Head Rs.	A.	P.	Expenditure: Education	Expenditure: Civil Works	Expenditure: Sanitation, Hospital, etc.	Expenditure: Debt and Miscellaneous	Expenditure: Total
				Rs.	Rs.	Rs.	Rs.	Rs.	A.	P.	Rs.	Rs.	Rs.	Rs.	Rs.
Mad:as ...	(a)474	1,318	4	1,13,62,871	99,92,084	3,04,23,513	5,17,78,468	0	14	6	1,31,62,988	1,67,37,299	40,14,753	1,83,12,295	5,22,27,335
Bombay ...	247	3,329	999	52,33,920	19,88,407	1,58,47,913	2,30,70,240	1	1	9	1,18,88,322	39,13,693	13,66,656	53,23,907	2,24,92,578
Bengal ...	110	1,311	766	96,47,977	20,63,356	56,32,644	1,73,43,977	0	5	6	33,22,428	57,47,319	38,01,594	31,71,448	1,60,42,789
Uni ed Provinces	48	1,375	138	81,23,594	14,01,021	1,04,45,873	1,99,70,488	0	7	0	1,10,31,944	34,95,426	44,76,730	11,02,464	2,01,06,564
Punjab ...	29	854	339	70,31,282	12,36,290	1,21,51,622	2,04,19,194	0	15	9	1,10,48,486	28,69,297	28,21,062	30,21,862	1,97,60,707
Bihar and Orissa	55	898	299	80,14,926	27,45,830	55,72,327	1,63,33,083	0	6	6	48,74,633	56,25,928	24,30,204	29,73,348	1,59,04,113
Central Provinces and Berar ...	108	1,416	411	27,72,899	2,36,653	41,89,175	71,98,727	0	6	7	29,71,663	7,28,429	4,75,979	30,51,419	72,27,490
Assam ...	19	370	130	12,06,506	7,78,538	14,08,829	33,93,873	0	6	10	13,20,346	9,85,321	5,35,653	4,71,078	33,12,398
North-West Frontier Province ...	5	101	83	3,01,034	1,28,117	11,78,112	16,07,263	0	11	2	9,36,817	2,49,556	1,17,614	2,19,761	15,23,748
Ajmer-Merwara ...	1	16	27	33,725	56,454	50,253	1,40,432	0	4	0	32,851	51,193	7,546	41,151	1,32,741
Coorg	1	13	6	62,713	31,896	55,702	1,50,311	0	14	8	74,230	33,064	32,806	14,579	1,54,679
Delhi	1	12	8	72,741	3.569	2,21,039	2,97.399	1	5	5	1,50,149	39,591	39,276	64,700	2,93,716
Total 1934-35 ...	1,098	11,013	3,210	5,38,64,188	2.06,62,215	8,71,77,052	16,17,03,455	0	9	8	6,08,14,857	4,04,76.116	2,01,19,873	3,77,68,012	15,91,78,858
Totals 1933-34	1,317	14,573	3,198	5,15,29,803	2,06,80,134	8,70,80.711	15,92,90,648	0	7	1	6,03,10,211	3,84,16,336	1,92,43,854	3,88,14.218	15,68,14,619
1932-33	1,324	14,517	3,328	5,12,10,859	1.93,78,491	4,45,17,490	15,51,06,843	0	9	5	5,91,16,762	3,69,09,634	1,92,53,662	3,58,40,267	15,11,20,325
1931-32	1,247	15,835	5,411	4,82,87,238	2.04,99.538	8,64,60.823	15,52,47,649	0	9	7	6,24,53.156	395,35,955	1,99,99,937	3,60,94,379	15,80,83,427
1930-31	1,246	16,083	5,444	4,96,62,331	2,52,17,397	9,08,25,214	16,57,04,942	0	10	5	6,27,15,907	4,62,78,136	2,03,99,790	3,94,47,902	16,88,41,735
1929-30	1,246	15,820	5,535	4,94,17,943	2,66,59,227	8,75,81,278	16,36,53,453	0	10	8	6,05,09,374	4,47,05,661	2,02,36,755	3,77,81,751	16,32,33,541
1928-29	1,247	15,833	5,411	4,91,49,389	2,56,62,040	8,50,10,226	15,98 21,655	0	10	9	5,90,84,540	4,85,32,066	1,99,56,682	3,63,56,623	16,39,29,861
1927-28	1,256	15,744	5,682	4,83,71,217	2,57,77,762	8,14,32,575	15,56,01,554	0	10	6	5,71,89,395	5,03,84,964	1,94,07,439	3,26,09,966	15,95,91,764
1926-27	1,265	15,889	5,543	4,90,36,034	2,52,45,680	7,66,34,600	15,09,16,314	0	10	2	5,80,11,615	4,94,94,115	1,80,88,100	3,07,21,037	15,13.14,867
1925-26	1,269	15,380	5,587	4,70,83,191	2,29,58,754	7,05,00,078	14,05,42,023	0	9	6	5,04,58,308	4,33,19,362	1,71,57,407	2,56,39,445	13,65,74,522

(a) Includes 448 Union Panchayats with 5,619 elected members.

Port Trusts: Constitution, Income, Expenditure and Debt.

CLASSIFICATION OF MEMBERS

Ports		Number Member	Nominated	Elected	Official	Non-official	Europeans	Indians	Income	Expenditure	Capital Debt
									Rs.	Rs.	Rs.
Calcutta ...		19	7	12	7	12	14	5	3,00,27,620	3,19,34,315	24,50,94,403
Bombay ...		22	9	13	8	14	14	8	2,66,02,138	2,63,76,349	19,86,82,695
Madras ...		15	5	10	3	12	11	4	31,46,183	32,05,921	1,50,59,927
Karachi ...		(b)14	6	8	5	9	8	6	70,69,685	64,13,384	4,03,09,000
Rangoon ...		17	7	10	5	12	12	5	72,05,954	69,51,709	4,91,28,667
Chittagong		12	5	7	5	7	8	4	6,46,978	6,60,926	(a)26,10,736
TOTAL, 1935-36 ...		(b)99	39	60	33	66	67	32	7,46,98,558	7,55,42,604	55,08,35,428
TOTALS	1934-35 ...	99	39	60	32	67	66	33	7,63,81,069	7,59,89,521	56,13,35,303
	1933-34 ...	100	39	61	32	68	66	34	7,28,59,599	7,37,13,717	56,71,56,774
	1932-33 ...	100	38	62	34	66	66	34	6,63,70,061	6,91,78,725	58,34,76,207
	1931-32 ...	100	38	62	34	66	65	35	7,16,82,059	7,93,87,220	58,23,93,137
	1930-31 ...	100	38	62	34	66	66	34	7,56,01,830	8,17,51,073	58,52,41,386
	1929-30 ...	99	38	61	34	65	66	33	8,52,13,017	8,71,32,763	59,03,42,187
	1928-29 ...	98	37	61	34	64	66	32	8,66,19,070	8,51,90,382	55,02,54,618
	1927-28 ...	95	38	57	33	62	65	30	8,50,56,056	8,07,12,046	58,94,28,245
	1926-27 ...	90	38	52	32	58	65	25	7,86,17,087	7,58,08,171	54,08,66,528

(a) Includes the first instalment of Rs. 15 lakhs, the second instalment of Rs. 5 lakhs, the third instalment of Rs. 2 lakhs, the fourth instalment of Rs. 3 lakhs and the fifth instalment of Rs. 3 lakhs of a loan of Rs. 50 lakhs from Govt.

(b) Excluding one vacant.

Total Expenditure on Education in the different Provinces.

1935-36

	Madras	Bombay	Bengal	United Provinces	Punjab	Burma	Bihar and Orissa	Central Provinces and Berar
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Under Public Management								
Managed by Government ...	62,02,839	37,69,127	63,64,648	51,97,431	58,61,596	18,77,779	35,49,641	24,89,345
Managed by Board or Municipal Funds	1,73,24,410	1,85,24,041	22,36,452	1,08,11,783	1,21,32,237	5,91,198	25,28,256	43,80,907
Under Private Management								
Aided by Government or by Board or by Municipal Funds	1,88,97,041	1,21,45,770	1,92,69,214	95,17,897	68,69,440	90,71,485	71,57,229	15,01,508
Unaided	2,96,173	14,99,461	67,96,410	5,76,888	11,19,241	...	9,66,388	3,14,356
University Board of secondary and Intermediate Education, Direction, Inspection, and Miscellaneous	1,24,31,494	62,27,509	97,59,330	1,27,45,170	61,47,480	45,92,757	40,06,896	22,79,492
TOTAL EXPENDITURE ...	5,51,51,957	4,21,65,908	4,44,26,054	3,89,49,169	3,21,29,994	1,61,33,219	1,82,08,410	1,09,15,608

	Assam	N.-W. Frontier Province	Baluchistan	Ajmer-Merwara	Coorg	Delhi	Bangalore	Administered Areas in Indian States
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Under Public Management								
Managed by Government ...	14,75,052	3,32,517	2,68,993	3,03,711	1,11,887	1,16,088	9,816	59,671
Managed by Board or Municipal Funds	13,72,839	10,27,618	18,129	47,343	75,635	5,33,147	79,616	2,34,445
Under Private Management								
Aided by Government or by Board or by Municipal Funds	9,31,391	9,63,451	...	4,34,006	19,377	14,43,236	5,77,762	6,48,195
Unaided	3,41,759	7,909	...	20,729	...	55,457	1,914	1,11,424
University, Board of Secondary and Intermediate Education, Direction, Inspection, and Miscellaneous	12,74,120	7,56,799	84,171	1,63,142	65,712	6,44,980	2,84,496	2,62,778
TOTAL EXPENDITURE ...	53,95,161	30,88,294	3,71,298	9,68,931	2,72,611	27,92,958	9,53,604	13,16,513

Distribution of Expenditure on Education

INDIRECT EXPENDITURE

Province		University	Board of Secondary and Intermediate Education	Direction and Inspection	Buildings, Furniture and Apparatus	Miscellaneous	Total	GRAND TOTAL Direct and Indirect
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	...	15,60,537	...	18,93,750	41,79,786	47,97,421	1,24,31,494	5,51,51,957
Bombay	...	10,45,963	...	17,33,249	10,54,298	23,93,999	62,27,509	4,21,65,908
Bengal	...	29,39,424	40,274	15,01,045	17,46,884	35,31,703	97,59,330	4,44,26,054
United Provinces	...	47,07,590	2,67,367	17,27,849	19,86,698	40,55,666	1,27,45,170	3,89,49,169
Punjab	..	16,44,642	...	14,48,083	12,80,162	17,74,593	61,47,480	3,21,29,994
Burma	...	16,06,495	527	9,58,818	1,02,760	19,24,157	45,92,757	1,61,33,219
Bihar and Orissa	...	2,60,494	4,957	10,43,315	15,66,677	11,31,453	40,06,896	1,82,08,410
Central Provinces and Berar ...	...	1,35,161	66,978	5,16,269	6,35,525	9,25,559	22,79,492	1,09,15,608
Assam	...	...	...	4,24,637	2,13,816	6,36,167	12,74,120	53,95,161
North-West Frontier Province	...	...	...	1,86,833	2,47,625	3,22,341	7,56,799	30,88,294
British-Baluchistan	...	...	...	25,732	5,159	53,280	84,171	3,71,298
Ajmer-Marwara	...	...	...	29,509	80,855	52,778	1,63,142	9,68,931
Coorg	...	...	...	17,881	13,777	34,054	65,712	2,72,611
Delhi	...	2,16,684	31,195	59,889	1,71,274	1,65,938	6,44,980	27,92,958
Bangalore	...	...	...	21,883	60,301	2,02,362	2,84,496	9,53,604
Administered Areas in Indian States	...	...	...	20,753	1,54,164	87,861	2,62,778	13,16,516
TOTAL, 1935-36	...	1,41,16,990	4,11,298	1,16,09,445	1,34,99,261	2,20,89,332	6,17,26,326	27,32,89,689
TOTALS ... 1934-35	..	1,38,26,525	3,76,632	1,11,67,064	1,30,50,845	2,17,28,954	6,01,50,020	26,52,11,420
1933-34	...	1,31,30,857	3,53,989	1,11,95,727	1,17,03,922	2,19,74,684	5,83,59,179	26,17,65,186
1932-33	...	1,32,85,106	3,35,994	1,07,77,450	1,28,62,142	2,20,51,921	5,93,12,613	25,78,75,868
1931-32	...	1,32,07,788	3,23,857	1,14,07,101	1,81,96,679	2,27,66,001	6,59,01,426	27,18,56,622
1930-31	...	1,35,63,245	3,29,469	1,18,92,014	2,43,96,050	2,42,95,836	7,44,76,614	28,81,61,446
1929-30	...	1,19,52,653	3,48,425	1,15,56,952	2,40,62,193	2,31,79,885	7,11,00,108	27,42,82,018
1928-29	...	1,43,29,539	3,17,351	1,11,55,007	2,70,46,603	2,25,10,918	7,53,59,418	27,07,32,253
1927-28	...	1,11,58,956	2,93,413	1,11,11,340	2,96,89,825	2,15,24,754	7,37,78,288	25,82,78,819
1926-27	...	1,00,53,859	(a)	1,03,02,057	2,77,25,177	2,25,37,151	7,06,18,244	24,58,47,572

(a) Figures not available.

Distribution of Expenditure on Education

DIRECT EXPENDITURE

Province	Arts and Professional Colleges	Secondary Schools Boys	Secondary Schools Girls	Primary Schools Boys	Primary Schools Girls	Normal and Training Schools	All other Special Schools	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	44,88,149	89,93,022	17,76,587	1,94,14,886	43,08,784	18,64,079	18,74,956	4,27,20,463
Bombay	39,20,648	76,02,115	19,25,560	1,64,55,043	39,84,045	5,42,089	15,08,899	3,59,38,399
Bengal ...	56,26,324	1,44,24,972	19,47,633	67,14,724	15,90,517	5,65,776	37,96,778	3,46,66,724
United Provinces ...	41,67,623	86,39,792	21,84,826	87,31,053	6,85,267	5,19,719	13,25,714	2,62,03,999
Punjab	41,23,284	1,35,17,269	16,76,363	40,73,590	11,49,721	1,55,850	12,86,437	2,59,82,514
Burma	62,004	72,84,911	14,10,599	19,64,921	3,43,671	1,28,168	3,46,188	1,15,40,462
Bihar and Orissa	19,32,333	44,85,286	4,25,362	52,47,053	5,00,899	3,31,329	12,79,252	1,42,01,514
Central Provinces and Berar ...	8,23,049	32,86,433	2,80,566	31,51,222	5,42,456	2,92,851	2,59,539	86,36,116
Assam	4,32,701	17,17,635	3,28,915	12,85,320	1,29,417	66,914	1,60,139	41,21,041
North-West Frontier Province	2,92,395	12,69,800	1,73,169	4,08,018	1,40,577	47,536	...	23,31,495
British Baluchistan ...	...	1,76,770	...	99,269	10,084	1,004	...	2,87,127
Ajmer-Merwara ...	83,283	3,45,730	1,01,851	1,64,933	77,676	19,125	13,191	8,05,789
Coorg	...	59,072	15,108	1,11,517	16,576	2,564	2,062	2,06,899
Delhi ...	6,51,601	7,60,087	2,15,662	2,59,671	1,94,113	25,190	41,654	21,47,978
Bangalore	52,471	2,75,847	1,71,316	89,547	57,526	17,536	4,865	6,69,108
Administered Areas in Indian States ...	...	5,15,656	1,40,563	1,17,393	79,778	38,369	1,66,976	10,53,735
TOTAL, 1935-36 ...	2,66,55,870	7,33,54,397	1,27,24,080	6,82,88,160	1,38,11,107	46,13,099	1,20,66,650	21,15,13,863
TOTALS ... 1934-35 ...	2,54,56,409	7,06,36,633	1,22,66,995	6,69,58,408	1,36,10,049	44,80,762	1,16,52,144	20,50,61,400
1933-34 ...	2,52,35,536	6,94,75,273	1,19,23,391	6,68,57,965	1,31,86,725	45,94,982	1,21,32,135	20,34,06,007
1932-33	2,43,92,877	6,77,94,688	1,12,08,846	6,55,99,323	1,28,06,259	49,23,446	1,18,31,816	19,85,63,255
1931-32 ...	2,47,99,674	6,97,73,540	1,15,26,519	6,80,98,169	1,31,62,121	55,94,808	1,30,00,365	20,59,55,196
1930-31 ...	2,53,20,758	7,02,68,913	1,12,44,413	6,82,07,867	1,32,34,050	67,29,235	1,36,79,596	20,86,84,832
1929-30 ...	2,47,98,438	6,80,88,681	1,05,46,704	6,96,74,147	1,21,93,271	65,93,582	1,39,87,087	20,31,81,910
1928-29 ..	2,42,20,051	6,49,57,167	97,41,744	6,50,79,192	1,14,88,249	64,88,418	1,33,98,014	19,53,72,835
1927-28 .	2,30,13,307	6,12,51,847	91,57,771	6,23,70,207	1,05,01,380	59,53,028	1,22,52,991	18,45,00,581
1926-27 ...	2,22,20,710	5,74,54,320	87,40,070	5,92,20,326	1,03,01,370	56,31,295	1,16,61,237	17,52,29,328

Expenditure on Education in each Province

Province	From Government Funds	From Board Funds	From Municipal Funds	From Fees	From Other Sources	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	2,56,10,288	55,35,928	23,40,417	97,64,965	1,19,00,359	5,51,51,957
Bombay	1,77,41,935	21,13,925	58,31,706	1,03,67,589	61,10,753	4,21,65,908
Bengal	1,39,96,507	18,27,012	17,05,937	1,97,96,419	71,00,179	4,44,26,054
United Provinces ...	2,07,00,208	33,67,160	17,34,725	79,66,658	51,80,418	3,89,49,169
Punjab	1,63,45,765	28,28,778	16,13,897	81,05,330	32,36,224	3,21,29,994
Burma	54,59,043	32,90,386	14,89,387	34,65,306	24,29,097	1,61,33,219
Bihar and Orissa ...	59,00,686	48,42,119	5,21,988	42,59,265	26,84,352	1,82,08,410
Central Provinces and Berar	47,39,189	20,14,379	10,76,906	20,82,394	10,02,740	1,09,15,608
Assam	30,37,553	6,13,541	1,10,517	10,40,976	5,92,574	53,95,161
North-West Frontier Province	21,11,644	1,03,813	1,99,582	3,56,073	3,17,182	30,88,294
British Baluchistan ...	3,05,602	15,438	33,978	16,040	240	3,71,298
Ajmer-Merwara ...	4,03,019	23,921	68,677	2,12,783	2,60,531	9,68,931
Coorg	1,58,865	57,240	5,186	45,225	6,095	2,72,611
Delhi	11,19,708	29,023	3,45,691	7,85,499	5,13,037	27,92,958
Bangalore	3,49,648	...	51,429	3,13,704	2,38,823	9,53,604
Administered Areas in Indian States ...	4,59,213		67,466	3,26,963	4,62,871	13,16,513
TOTAL, 1935-36 ...	11,84,38,873	2,66,62,663	1,71,97,489	6,89,05,189	4,20,35,475	27,32,39,689
TOTALS ... 1934-35 ...	11,58,73,080	2,51,15,706	1,64,76,292	6,63,72,985	4,13,73,357	26,52,11,420
1933-34 ...	11,47,02,150	2,58,94,257	1,60,40,054	6,47,89,282	4,03,39,443	26,17,65,186
1932-33 ...	11,35,50,798	2,54,68,300	1,52,37,661	6,29,60,172	4,06,58,937	25,78,75,868
1931-32 ...	12,46,00,481	2,80,01,313	1,58,17,222	6,22,69,534	4,11,68,072	27,18,56,622
1930-31 ...	13,60,97,116	2,84,17,441	1,54,11,688	6,14,58,989	4,17,76,209	28,31,61,446
1929-30 ...	13,25,38,044	2,75,09,215	1,49,56,385	6,04,61,368	3,88,17,006	27,42,82,018
1928-29 ...	13,18,10,145	2,59,25,399	1,34,88,970	5,78,17,829	4,16,89,910	27,07,82,258
1927-28 ...	12,66,92,478	2,52,70,958	1,26,17,479	5,44,71,633	3,92,26,271	25,82,78,819
1926-27 ...	11,93,32,854	2,42,69,785	1,23,21,829	5,21,27,101	3,77,96,413	24,58,47,572

Classification of Expenditure on Rural Education by Provinces and by Sources

Province	From Government Funds	From District Board Funds	From Other Sources	Total
	Rs.	Rs.	Rs.	Rs.
Madras	1,32,46,103	58,99,555	68,02,074	2,59,47,732
Bombay	82,77,620	17,91,810	17,33,222	1,18,02,652
Bengal	41,73,127	16,05,913	1,11,96,388	1,69,75,428
United Provinces	66,08,038	26,22,565	8,50,825	1,00,81,428
Punjab	79,17,752	21,86,290	15,51,626	1,16,55,668
Burma	7,92,971	29,98,071	3,12,079	41,03,121
Bihar and Orissa	7,90,820	47,90,709	33,34,284	89,15,813
Central Provinces and Berar ...	15,92,850	20,38,781	3,34,148	39,65,779
Assam	11,40,650	5,47,413	6,22,036	23,10,099
North-West Frontier Province ...	12,16,175	1,03,014	1,09,471	14,28,660
British Beluchistan	66,550	10,084	2,188	78,822
Ajmer-Merwara	1,14,666	16,758	24,519	1,55,943
Coorg	22,828	52,240	3,610	78,678
Delhi	1,35,225	24,736	39,890	1,99,851
Bangalore	9,156		...	9,156
Administered Areas in Indian States			33,453	33,453
TOTAL, 1935-36 ...	4,61,04,531	2,46,87,939	2,69,49,313	9,77,41,783
TOTALS 1934-35	4,64,31,043	2,22,60,029	6,22,73,620	9,49,64,692
1933-34	4,50,40,565	2,22,28,572	2,56,25,614	9,28,94,751
1932-33	4,49,25,517	2,29,85,614	2,64,08,159	9,43,19,290
1931-32	4,74,84,364	2,45,06,380	2,63,25,534	9,83,16,278
1930-31	5,12,36,568	2,58,04,702	2,72,71,709	10,43,02,979
1929-30	...	...	...	...
1928-29	...	...	...	...
1927-28	...	...	...	...
1926-27	...	.	...	...

Number of Printing Presses at Work and Number of Newspapers, Periodicals, and Books Published.

Province		rinting 'resses	News-papers	Periodi-cals	Books: In English or other European Languages	Books: In Indian Languages (Vernacular and Classical) or in more than one Language
Madras		(a)2,818	(a)356	1,083	511	2,468
Bombay (d)		1,209	429	196	348	2,692
Bengal		1,459	354	455	910	3,519
United Provinces ...		982	362	370	451	2,931
Punjab		557	401	412	301	1,437
Burma		369	45	170	21	300
Bihar and Orissa ...		254	59	130	102	215
Central Provinces and Berar		(b)232	(c)104	72	10	201
Assam		82	28	36	1	53
North-West Frontier Province		31	21	2	12	4
Ajmer-Merwara (d) ...		41	17	17	87	176
Coorg (d)		7	3	1	...	1
Delhi		167	73	98	27	245
TOTAL, 1935-36		7,708	2,252	3,042	2,731	14,242
TOTALS	1934-35	7,557	2,123	3,363	2,790	13,945
	1933-34	6,937	1,748	3,208	2,623	14,140
	1932-33	6,756	1,659	2,847	2,709	13,580
	1931-32	6,646	1,748	2,893	2,441	13,182
	1930-31	6,520	1,708	2,760	2,353	14,074
	1929-30	6,385	1,693	3,057	2,385	13,935
	1928-29	6,102	1,695	2,960	2,556	14,427
	1927-28	5,919	1,525	2,954	2,332	14,815
	1926-27	5,724	1,485	3,627	2,147	15,246

(a) Relates to the calendar year 1936.

(b) Includes 8 Presses which are reported either closed or not working.

(c) Includes 68 periodicals which are treated as newspapers as they contain public news or comments on public news.

(d) Figures relate to the calendar year 1935.

Joint-Stock Companies Registered in each Province and at work at the end of each year from 1926-27

Class of Companies	Madras	Bombay	Bengal	United Provinces	Punjab	Burma	Bihar and Orissa	Central Provinces and Berar
Banking and Loan ...	435	112	1,146	49	59	17	13	6
Insurance	80	177	315	14	117	7	6	11
Navigation	1	6	28			8		
Railways and Tramways ...	2	18	25			..		
Other Transit and Transport	62	53	135		13	10	11	
Trading and Manufacturing Companies	422	621	1,832	201	479	123	53	36
Tea	16	1	407			...	1	
Other Planting Companies ...	21	2	52			13	1	
Coal Mining	...	11	245				16	
Gold Mining	2	...	1					
Other Mining and Quarrying Companies	5	17	44					
Cotton Mills	52	181	72	11				
Jute Mills	1	...	77	1				
Mills for Wool, Silk, Hemp, etc.	...	9						
Cotton Ginning, Pressing, Baling, etc.	31	63	5	3	12	...	...	5
Jute Presses, etc. ...	3	...	29	1	...	..	...	...
Flour Mills	2	9	11	4	5	...	1	...
Estate, Land and Building...	7	31	112	..	2	16	3	1
Sugar (*including* Jaggery)...	9	16	79	48	16	2	15	...
Other Companies ...	111	92	297	65	74	18	9	10
TOTAL, 1935-36 ...	1,262	1,419	(a) 4,916	406	786	243	137	78
TOTALS 1934-35 ...	1,153	1,310	(a) 4,829	369	658	215	126	67
TOTALS 1933-34 ...	1,030	1,182	(a) 4,680	311	552	194	110	63
TOTALS 1932-33 ...	917	1,096	3,966	268	459	288	100	57
TOTALS 1931-32 ...	839	1,051	3,835	236	343	284	96	58
TOTALS 1930-31 ...	800	959	3,652	224	285	288	97	54
TOTALS 1929-30 ...	746	913	3,432	224	252	304	94	58
TOTALS 1928-29 ...	684	857	3,133	206	212	295	88	52
TOTALS 1927-28 ...	658	807	2,868	200	187	286	84	55
TOTALS 1926-27 ...	662	812	2,651	215	173	283	82	49

(*a*) Includes 601, 513 and 685 companies which were in liquidation in 1933-34, 1934-35 and 1935-36 respectively, but were not finally dissolved.

Joint Stock Companies Registered in Indian States, and at work at the end of each year from 1926-27

Class, Number and Paid-up Capital.

Class of Companies	1926-27 No.	1926-27 Paid-up Capital	1927-28 No.	1927-28 Paid-up Capital	1928-29 No.	1928-29 Paid-up Capital	1929-30 No.	1929-30 Paid-up Capital	1930-31 No.	1930-31 Paid-up Capital
		Rs.		Rs.		Rs.		Rs.		Rs.
Banking and Loan	109	2,65,60,266	173	2,98,42,560	249	3,13,81,556	313	3,53,83,775	381	3,62,62,205
Insurance	10	3,89,842	8	4,14,544	11	3,91,507	11	3,96,862	25	4,03,785
Navigation	...	...	1	300	...	...	...	...	...	...
Railways and Tramways ...	1	6,95,792	1	6,95,766	1	6,95,793	1	6,95,766	1	6,95,766
Other Transit and Transport ...	9	6,36,964	10	6,43,637	11	2,26,250	12	5,97,906	15	2,62,637
Trading and Manufacturing Companies	126	1,57,26,799	137	1,34,80,327	148	1,25,30,764	159	1,43,72,821	166	1,43,78,092
Tea	6	15,70,149	6	15,94,856	9	21,57,300	11	41,36,195	11	42,80,370
Other Planting Companies ...	38	39,69,453	37	40,65,771	38	41,27,056	26	38,97,703	26	40,12,542
Coal Mining	1	54,11,529	1	54,11,520	1	63,15,950	1	63,21,450	1	63,21,450
Gold Mining	...	...	...	...	...	...	...	...	...	..
Other Mining and Quarrying Companies	8	11,97,009	8	12,91,155	8	12,91,155	9	12,92,495	9	12,87,855
Cotton Mills	27	3,88,01,281	26	3,68,39,169	26	4,03,17,772	28	4,16,56,372	30	4,27,74,841
Jute Mills	...	...	...	...	...	...	...	...	...	...
Mills for Wool, Silk, Hemp, etc. ...	2	14,27,365	2	2,33,691	2	8,30,528	2	8,35,833	2	8,64,308
Cotton Ginning, Pressing Baling, etc.	6	7,94,036	6	7,94,086	5	6,63,086	5	6,63,086	5	12,09,635
Jute Presses, etc.	...	...	...	...	...	...	...	...	...	...
Flour Mills	2	4,000	2	4,000	2	4,000	1	...	1	...
Estate, Land and Building ...	2	69,881	2	93,700	2	93,700	2	93,700	2	1,14,500
Sugar (*including* Jaggery) ...	2	3,02,585	2	4,10,480	2	4,12,255	2	4,12,255	2	4,11,755
Other Companies	21	5,59,224	20	13,99,605	20	4,83,730	23	6,79,987	26	6,84,399
TOTAL ...	370	9,81,16,225	443	9,72,15,226	535	10,19,22,402	606	11,14,36,206	658	11,39,64,140

Joint Stock Companies Registered in Indian States, and at work at the end of each year from 1926-27

Class, Number and Paid-up Capital—*contd.*

Class of Companies	1931-32 No.	1931-32 Paid-up Capital	1932-33 No.	1932-33 Paid-up Capital	1933-34 No.	1933-34 Paid-up Capital	1934-35 No.	1934-35 Paid-up Capital	1935-36 No.	1935-36 Paid-up Capital
		Rs.		Rs.		Rs.		Rs.		Rs.
Banking and Loan	331	3,64,64,299	339	2,07,93,488	332	2,38,93,935	320	3,77,88,827	481	3,94,05,472
Insurance	275	2,90,902	524	3,35,560	253	3,61,645	62	4,09,966	67	4,09,907
Naivigation	...	...	...	...	...	...	...		1	1,32,456
Railways and Tramways ...	1	6,95,766	1	6,95,766	1	6,95,766	1	6,95,793	1	6,95,765
Other Transit and Transport ...	17	4,49,240	17	7,93,367	17	9,04,186	16	8,32,770	17	8,32,770
Trading and Manufacturing Companies	162	1,45,89,795	171	1,36,95,362	176	1,37,81,117	172	1,42,19,400	209	1,53,68,714
Tea	11	42,92,111	12	50,54,876	11	42,35,130	12	50,54,967	12	50,54,967
Other Planting Companies ..	26	40,31,925	26	40,49,763	24	39,29,527	29	41,52,053	32	44,72,200
Coal Mining	1	63,21,450	1	63,21,450	1	63,21,450	1	63,21,450	1	63,21,450
Gold Mining	...	...	..	...	..	...	...	...	...	...
Other Mining and Quarrying Companies	9	13,26,135	9	13,90,335	9	13,37,772	9	13,88,207	9	13,88,196
Cotton Mills	31	4,25,93,667	31	4,27,89,107	31	4,53,21,707	35	4,80,16,182	39	5,14,15,031
Jute Mills	...	...	...	...	...	...	...	..	...	...
Mills for Wool, Silk, Hemp, etc. .	2	8,64,308	2	8,64,308	1	3,64,308	2	3,76,917	2	4,10,074
Cotton Ginning, Pressing Baling, etc.	5	12,09,635	5	13,32,643	5	24,10,719	5	26,27,880	3	10,29,006
Jute Presses, etc.	...	...	...	...	...	...	...	...	...	...
Flour Mills	2	19,57,275	2	19,67,275	2	19,67,275	2	1,01,050	2	1,01,050
Estate, Land and Building ...	2	1,56,200	2	1,56,100	2	1,56,100	4	1,76,700	7	3,18,236
Sugar (*including* Jaggery) ...	2	4,11,755	3	8,85,287	3	24,10,652	3	24,10,610	3	24,10,610
Other Companies	28	11,66,581	30	1,83,12,929	26	1,74,69,107	20	19,35,010	31	20,34,858
TOTAL ...	905	11,68,26,044	1,175	11,94,37,616	894	12,55,60,896	693	12,65,07,782	917	13,17,95,762

Joint-Stock Companies Registered in each Province and at work at the end of each year from 1926-27

Class of Companies	Assam	North-West Frontier Province	Ajmer-Merwara	Coorg	Baluchistan	Delhi	Bangalore (Civil and Military Station)	TOTAL
Banking and Loan ...	57	4	1	...	...	6	5	1,910
Insurance	3	1	5	...	...	24	...	760
Navigation	...	...	...	...	...	...	...	43
Railways and Tramways ...	...	...	...	...	...	...	...	47
Other Transit and Transport	7	...	1	1	...	24	...	320
Trading and Manufacturing Companies	53	10	12	2	1	106	6	3,957
Tea	49	...	...	...	...	...	...	476
Other Planting Companies ...	2	...	...	3	...	...	...	94
Coal Mining	...	...	...	...	...	3	...	283
Gold Mining	...	...	...	...	...	...	...	4
Other Mining and Quarrying Companies	1	...	...	...	...	...	...	102
Cotton Mills	2	...	3	...	...	3	..	329
Jute Mills	...	...	...	..	...	...	...	80
Mills for Wool, Silk, Hemp, etc.	...	...	...	...	...	...	...	20
Cotton Ginning, Pressing, Baling etc.	...	...	5	...	...	...	...	124
Jute Presses, etc. ...	...	...	...	...	...	...	...	33
Flour Mills	...	...	...	...	...	2	...	34
Estate, Land and Building	2	2	...	..	..	2	...	178
Sugar (*including* Jaggery) ...	3	...	...	...	...	4	...	192
Other Companies ...	13	3	3	1	...	28	...	724
TOTAL, 1933-34 ...	192	20	30	7	1	202	11	(a)9,710
TOTALS 1934-35 ...	181	18	29	5	3	177	8	(a)9,148
TOTALS 1933-34 ...	184	12	23	5	3	183	8	(a)8,540
TOTALS 1932-33 ...	179	11	19	5	3	164	8	7,540
TOTALS 1931-32 ...	171	6	22	5	2	134	10	7,092
TOTALS 1930-31 ...	166	6	22	5	1	108	8	6,675
TOTALS 1929-30 ...	163	5	22	4	2	86	8	6,313
TOTALS 1928-29 ...	151	5	22	4	2	77	7	5,795
TOTALS 1927-28 ...	133	3	22	5	2	71	7	5,338
TOTALS 1926-27 ...	116	3	22	5	2	70	10	5,156

(a) Includes 601,518 and 685 companies which were in liquidation in 1933-34, 1934-35 and 1935-36, respectively, but were not finally dissolved.

Joint-Stock Companies Registered in each Indian State and at work at the end of each year from 1926-27.

Class of Companies	Mysore	Baroda	Gwalior	Indore	Travancore	Hyderabad	Cochin*	TOTAL
Banking and Loan	50	2	3	2	252	11	161	481
Insurance	6	4	4	1	46	1	5	67
Navigation	..	...	...	...	...	...	1	1
Railways and Tramways	1	...	...	...	...	...	...	1
Other Transit and Transport ...	4	...	2	...	8	3	...	17
Trading and Manufacturing Companiess	48	22	22	5	70	10	32	209
Tea	..	...	...	...	12	...	...	12
Other Planting Companies ...	2	...	...	...	27	...	3	32
Coal Mining	..	...	...	...	...	1	...	1
Gold Mining	...	...	...	...	...	..	..	...
Other Mining and Quarrying Companies	8	...	...	...	...	1	...	9
Cotton Mills	3	18	6	7	1	3	1	39
Jute Mills	..	...	...	...	...	..	...	...
Mills for Wool, Silk, Hemp, etc, ...	1	...	...	...	...	1	...	2
Cotton Ginning, Pressing, Baling, etc.	...	3	...	...	..	...	...	3
Jute Presses, etc.	...	..	...	...	..	...	...	..
Flour Mills	...	...	2	...	...	...	...	2
Estate, Land and Building ...	4	...	1	...	...	2	...	7
Sugar (*including* Jaggery) ...	2	...	...	...	1	...	...	3
Other Companies	6	2	2	...	8	5	8	31
TOTAL, 1935-36 ...	135	51	42	15	425	38	211	917
TOTALS 1934-35	129	48	39	15	425	37	...	693
TOTALS 1933-34	126	44	34	14	641	35	...	894
TOTALS 1932-33	120	43	34	14	924	40	...	1,175
TOTALS 1931-32	118	44	36	13	653	41	...	905
TOTALS 1930-31	121	42	36	11	408	40	...	658
TOTALS 1929-30	118	37	34	11	372	34	...	606
TOTALS 1928-29	129	40	33	10	308	15	...	535
TOTALS 1927-28	126	41	29	11	221	14	...	442
TOTALS 1926-27	123	42	30	11	152	12	...	370

* Statistics relating to Joint-Stock Companies in Cochin are being collected only from 1935-36. Previous years' figures are not available.

Agricultural Area and Yield of British India—Summary

		1926-27	1927-28	1928-29	1929-30
		Acres	Acres	Acres	Acres
Net area by professional survey ...		667,750,385	670,087,610	670,046,955	669,915,432
Area under forest*		87,029,431	86,985,199	87,228,719	87,276,578
Not available for cultivation ...		149,014,275	149,643,160	149,034,031	146,872,810
Culturable waste other than fallow ...		152,530,607	155,477,185	154,679,691	155,491,449
Fallow land		49,697,603	51,028,144	48,432,503	49,718,921
Net area sown with crops ...		226,012,207	223,862,226	228,166,327	228,160,858
Area irrigated		47,784,633	48,321,816	49,761,694	51,010,126
Area under Food-grains—					
Rice		78,501,389	76,606,868	81,131,748	79,424,203
Wheat		24,181,145	24,568,445	24,925,492	24,781,192
Barley		6,387,222	6,825,267	7,532,676	7,026,798
Jowar		21,120,754	21,248,397	20,534,397	23,240,828
Bajra		13,801,088	14,062,194	12,951,651	13,291,242
Ragi		3,854,152	3,851,709	3,903,487	3,999,787
Maize		5,554,841	5,943,160	6,012,370	6,551,892
Gram		14,664,317	13,972,616	13,625,871	11,458,536
Other grains and pulses ...		29,154,122	29,599,957	29,651,481	30,294,060
TOTAL FOOD-GRAINS ...		197,219,030	196,678,613	200,268,668	200,018,488
Area under other food crops (including fruits, vegetables, spices, etc.)		7,537,298	7,843,526	7,852,024	7,897,902
Area under—					
Sugar		3,040,669	3,046,486	2,674,973	2,582,581
Coffee		91,184	92,293	87,341	90,851
Tea		738,159	743,384	759,918	765,827
Area under Oilseeds—					
Linseed		2,325,291	2,212,206	2,091,800	1,926,444
Sesamum (til or jinjili) ...		3,171,632	3,540,791	3,668,365	3,555,651
Rape and Mustard		3,280,073	3,277,118	4,287,495	3,554,406
Groundnut		3,863,486	4,700,241	5,401,342	5,012,393
Coconut		634,272	634,584	649,765	654,111
Castor		575,741	567,783	532,656	436,044
Other Oilseeds		1,148,154	1,190,283	1,254,797	1,190,506
TOTAL OILSEEDS ...		14,998,649	16,123,006	17,886,220	16,329,556
Area under—					
Cotton		15,687,029	14,804,461	16,507,146	16,141,029
Jute		3,609,490	3,293,801	3,062,302	3,268,028
Other fibres		805,057	712,695	656,522	665,771
Indigo		103,755	67,161	80,545	70,808
Opium		59,215	54,384	49,319	41,385
Tobacco		1,055,410	1,144,826	1,149,398	1,173,155
Fodder crops		8,939,854	9,152,376	9,177,321	9,380,781
Estimated yield† of—					
Rice (Cleaned) ...	*tons*	29,680,000	28,234,000	32,150,000	31,132,000
Wheat	,,	8,973,000	7,791,000	8,592,000	10,469,000
Tea‡	*lbs.*	392,933,200	390,919,800	404,153,200	432,842,000
Cottons§ ...	*400 lbs. bales*	5,624,000	5,661,000	6,675,000	6,991,000
Jute‡ ... ,,	,,	12,132,000	10,188,000	9,906,000	10,335,000
Linseed	*tons*	406,000	348,000	322,000	380,000
Rape and Mustard ...	,,	1,004,000	840,000	910,000	1,095,000
Sesamum (til or jinjili) ...	,,	414,000	543,000	495,000	455,000
Groundnut (nuts in shell)	,,	1,818,000	2,424,000	2,778,000	2,362,000
Castor seed	,,	129,000	138,000	118,000	116,000
Indigo	*cwts.*	19,000	10,900	15,100	14,400
Raw Sugar (*Gur*) ...	*tons*	3,267,000	3,217,000	2,704,000	2,752,000
Coffee	*lbs.*	34,282,000	35,563,000	27,767,000	39,424,000
Rubber‡	,,	23,004,000	26,042,000	26,839,000	28,028,000

† The forest areas returned in the Agricultural Statistics do not agree in most cases with those stated in the reports on the administration of the Forest Department for various reasons, the chief amongst which are the following:—

(1) The administration reports relate exclusively to forests worked by the Forest Department, while the tables of agricultural statistics include, in addition, forest areas administered by District Officers, and (2) certain village and other lands not covered by forest but worked by the Forest Department and returned as forest lands by that department are n t treated as forests in the returns of Agricultural Statistics.

Agricultural Area and Yield of British India—Summary.

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
	Acres	Acres	Acres	Acres	Acres	Acres
	669,844,769	668,869,419	668,045,220	668,039,414	668,061,327	667,361,372
	87,962,885	88,565,903	88,802,903	89,066,930	89,239,045	89,461,559
	146,810,510	145,614,386	145,550,408	144,992,244	144,816,630	144,942,190
	154,016,726	154,999,889	154,610,389	153,626,749	154,260,234	153,592,651
	49,617,618	49,041,627	50,692,794	47,639,276	52,298,737	51,004,871
	229,115,236	228,835,924	228,075,963	232,245,900	226,979,699	227,869,972
	49,697,216	48,728,580	49,881,881	50,507,791	50,533,556	51,317,373
	80,631,668	81,287,906	79,968,340	80,424,560	79,520,027	79,888,871
	24,797,008	25,320,103	25,013,734	27,597,909	25,655,219	25,149,550
	6,692,971	6,495,226	6,405,179	6,724,070	6,586,992	6,178,401
	22,808,485	21,608,475	21,461,510	21,401,471	21,853,215	21,540,047
	13,698,562	13,941,599	14,007,040	13,138,065	13,101,694	13,068,671
	3,972,870	3,870,753	3,826,268	3,732,104	3,737,824	3,534,930
	6,457,615	6,108,794	6,267,238	6,049,335	6,184,635	6,210,566
	13,643,927	15,931,743	13,926,173	16,545,694	13,732,519	14,896,657
	30,082,659	30,449,361	30,587,405	30,609,950	30,262,806	29,792,485
	202,735,765	205,013,960	201,462,887	206,223,158	200,634,931	200,259,678
	8,241,111	8,389,156	8,300,881	8,078,032	8,484,926	8,307,828
	2,868,987	3,040,802	3,367,536	3,363,576	3,523,572	4,038,392
	92,349	91,714	93,303	94,888	96,047	97,411
	774,683	775,121	775,038	779,362	782,970	786,751
	1,999,125	2,216,600	2,160,682	2,067,118	2,127,673	2,121,444
	3,638,103	3,712,468	4,247,136	4,206,868	3,393,215	3,673,070
	3,296,765	3,506,882	3,523,558	3,321,307	2,855,047	2,920,969
	5,310,454	4,226,008	5,467,973	5,948,891	4,043,824	4,306,745
	639,665	617,858	637,897	640,128	665,060	667,351
	455,827	514,497	546,270	475,074	421,549	392,135
	1,117,618	1,088,087	1,111,341	1,134,145	1,036,363	1,580,688
	16,457,557	15,882,400	17,694,857	17,793,531	14,542,731	15,662,402
	14,200,880	14,486,513	13,121,660	14,498,803	14,484,015	15,760,603
	3,402,254	1,845,216	1,876,696	2,494,024	2,476,195	1,935,761
	719,270	686,239	668,572	633,264	624,358	769,783
	64,187	53,453	60,408	42,391	60,320	39,825
	42,562	42,093	31,233	17,839	9,469	9,988
	1,112,183	1,150,260	1,117,194	1,085,382	1,256,855	1,230,006
	9,299,838	9,624,662	9,989,067	10,207,003	10,308,036	10,790,461
	32,198,000	33,001,000	31,114,000	30,907,000	30,238,000	28,269,000
	9,306,000	9,024,000	9,455,000	9,370,000	9,729,000	9,420,000
	391,080,800	394,083,500	433,669,300	383,674,400	399,251,000	394,429,000
	6,750,000	4,678,000	5,979,000	6,492,000	6,477,000	7,254,000
	11,205,000	5,542,000	7,072,000	7,987,000	8,500,000	7,215,000
	377,000	416,000	406,000	376,000	420,000	388,000
	988,000	1,025,000	1,042,000	943,000	900,000	957,000
	526,000	476,000	551,000	541,000	406,000	463,000
	2,766,000	2,268,000	2,997,000	3,330,000	1,884,000	2,258,000
	120,000	146,000	151,000	143,000	105,000	121,000
	13,000	9,900	11,100	7,500	10,200	6,800
	8,328,000	3,975,000	4,676,000	4,896,000	5,140,000	5,908,000
	32,973,000	33,614,000	33,037,000	34,601,000	32,776,000	41,173,000
	24,351,000	20,117,000	6,381,000	12,915,000	37,156,000	48,545,000

† The acreage of crops given in this table is for Brtiish India only, anc is compiled from the returns of Agricultural Statistics but the estimated yield includes the crops in certain Indi: n States and is compiled from the "Estimates of Area and Yield of Principal Crops in India".

‡ The Statistics of the production of tea, jute and rubber are for calendar year:

§ Net exports and consumption.

Area Cultivated and Uncultivated in British India in Acres

1985-86

Province	Area according to survey	Deduct Indian States	Net Area: According to survey	Net Area: According to village papers
Madras	80,104,289	...	80,104,289	80,088,821
Bombay	48,720,915	...	48,720,915	48,720,915
Sind	30,158,133	...	30,158,133	30,158,133
Bengal	52,732,356	3,477,760	49,254,596	49,254,596
United Provinces ...	72,510,152	4,661,232	67,848,920	67,969,264
Punjab	64,388,480	3,386,880	61,001,600	60,174,599
Burma	155,849,423	. .	155,849,423	155,849,423
Bihar	44,325,638	...	44,325,638	44,325,638
Orissa	20,011,875	...	20,011,875	20,023,072
Central Provinces and Berar	63,004,800	...	63,004,800	63,086,469
Assam	43,375,360	7,890,560	35,484,800	35,484,800
North-West Frontier Province	8,578,298	140,800	8,437,498	8,576,578
Ajmer-Merwara	1,770,921	...	1,770,921	1,770,921
Coorg	1,019,520	...	1,019,520	1,019,520
Delhi	368,494	...	368,494	368,494
TOTAL	686,913,604	19,557,232	667,361,372	666,871,243

Province	Cultivated: Net area actually shown	Cultivated: Current fallows	Uncultivated: Culturable waste other than fallow	Uncultivated: Not available for cultivation	Uncultivated: Forests
Madras	30,970,132	9,903,448	10,952,221	15,750,998	12,512,022
Bombay	28,540,450	5,147,011	861,327	5,680,182	8,491,945
Sind	4,785,544	5,193,484	5,996,366	13,460,738	722,001
Bengal	22,674,000	5,670,428	6,657,916	9,794,341	4,457,911
United Provinces	35,906,808	2,756,405	10,157,054	9,868,845	9,280,152
Punjab	27,462,134	3,606,988	14,232,802	12,897,757	1,974,918
Burma	18,161,175	3,874,311	59,625,342	52,060,236	22,128,359
Bihar	19,361,700	7,044,825	5,160,490	6,319,356	6,439,267
Orissa	6,305,792	1,540,891	3,835,818	5,696,194	2,635,377
Central Provinces and Berar ...	24,301,398	3,958,846	14,052,250	4,914,828	15,859,147
Assam	6,366,992	1,494,457	18,899,650	4,577,400	4,146,301
North-West Frontier Province	2,315,034	457,246	2,785,161	2,666,205	352,932
Ajmer-Merwara	866,035	164,767	302,593	840,744	96,782
Coorg	140,027	169,813	11,690	334,045	364,445
Delhi	212,751	13,451	61,971	80,321	...
TOTAL ...	227,869,972	51,004,871	153,592,651	144,942,190	89,461,559

Area under Irrigation in British India in Acres 1935-36

Province	Total Area sown*	Area Irrigated: By Canals: Government	Area Irrigated: By Canals: Private	Area Irrigated: By tanks	Area Irrigated: By wells	Area Irrigated: Other sources	Area Irrigated: Total area irrigated
Madras	35,651,248	3,725,967	145,296	3,099,658	1,397,787	251,785	8,620,443
Bombay	29,373,045	212,599	87,317	113,706	621,701	25,993	1,061,316
Bengal	27,695,300	205,248	205,561	709,139	59,713	414,494	1,594,155
United Provinces ...	43,582,825	3,510,951	35,352	61,007	5,292,457	1,865,390	10,765,157
Punjab	31,850,814	10,143,044	414,896	33,206	4,291,892	133,813	15,018,851
Burma	19,349,386	679,181	249,893	153,525	16,164	337,858	1,436,621
Bihar ...	23,824,100	714,678	806,916	1,471,355	574,639	901,497	4,469,085
Central Provinces and Berar	26,978,144	†	1,090,280	†	162,172	65,187	1,817,639
Assam	7,130,682	340	341,885	1,501	...	299,707	643,433
North-West Frontier Province	2,711,740	410,934	430,906		84,022	84,998	1,010,860
Sind	5,261,686	3,727,092	11,910		18,806	384,068	4,141,876
Orissa	6,887,926	293,483	48,413	317,869	78,371	308,405	1,046,541
Ajmer-Merwara	436,598	...		32,331	102,808	822	135,461
Coorg	141,243	2,621		1,489	...		4,110
Delhi	272,898	29,022		1,525	21,278		51,825
TOTAL ...	261,147,535	23,655,160	3,868,625	5,998,311	12,721,810	5,073,467	51,817,878

Province	Crops Irrigated‡: Rice	Wheat	Barley	Jowar	Bajra	Maize
Madras	7,547,516	3,370	7	472,592	329,584	3,794
Bombay	168,039	193,954	11,510	218,986	35,563	22,480
Bengal	1,509,209	13,244	2,830	110	115	4,700
United Provinces ...	615,188	3,672,131	1,975,943	32,265	4,131	173,786
Punjab	719,747	5,190,127	226,227	172,503	321,486	533,259
Burma	1,364,665	898	...	367	...	409
Bihar	2,905,822	280,316	131,277	3,000	1,501	60,202
Central Provinces and Berar	1,116,822	64,205	1,477	594		159
Assam	624,384	...	...	...		...
North-West Frontier Province	38,211	337,490	58,557	22,302	8,307	249,695
Sind	1,124,621	1,117,058	19,776	430,881	248,407	2,839
Orissa	1,252,137	1,091	...	..	...	2,230
Ajmer-Merwara	85	17,717	36,509	98	181	32,515
Coorg	4,110	...	...	..	...	...
Delhi	24	22,245	2,749	1,189	119	934
TOTAL ...	18,990,580	10,913,846	2,466,862	1,354,887	949,394	1,087,002

Province	Other cereals and pulses	Sugarcane	Other food crops	Cotton	Other non-food crops	TOTAL
Madras	1,077,930	113,992	333,385	291,529	503,481	10,677,180
Bombay	98,929	81,818	165,065	43,386	180,748	1,220,478
Bengal	32,268	25,630	89,144	1,266	11,979	1,690,495
United Provinces ...	2,424,415	1,511,634	415,669	298,936	363,213	11,487,311
Punjab	1,278,869	389,529	307,775	2,585,858	3,550,452	15,275,832
Burma	15,088	3,339	41,130	2,207	58,126	1,486,229
Bihar	687,804	158,635	160,571	2,361	77,596	4,469,085
Central Provinces and Berar	11,209	27,358	87,736	384	7,695	1,317,639
Assam	756	...	9,055	...	9,238	643,433
North-West Frontier Province	84,548	58,378	41,143	11,169	151,060	1,010,860
Sind	577,720	4,897	60,259	767,766	263,827	4,618,051
Orissa	97,754	28,306	13,370	200	20,357	1,415,445
Ajmer-Merwara	19,264	55	15,090	26,090	6,161	153,765
Coorg	...	...	...	...	...	4,110
Delhi	4,281	2,646	5,673	1,693	10,272	51,825
TOTAL ...	6,360,885	2,406,217	1,745,065	4,032,845	5,214,205	55,521,738

Includes areas sown more than once. † Included under "Private canals."

‡ Represents area irrigated at both harvests.

Area under Crops in British India in Acres
1935-36

Province	Rice	Wheat	Barley	Jowar or cholum (great millet)	Bajra or cumbu (spiked millet)	Ragi or marua (millet)	Maize
Madras ...	9,796,280	11,351	3,240	5,092,535	2,707,139	1,739,469	68,886
Bombay ...	1,971,877	1,690,945	21,122	7,842,776	3,848,579	663,981	179,364
Bengal ...	21,091,900	127,100	90,000	5,800	2,000	5,100	72,400
United Provinces	6,748,105	7,201,610	3,871,899	2,236,877	2,292,370	250,261	2,129,888
Punjab ...	971,981	9,300,139	665,921	821,086	3,018,423	18,077	1,091,291
Burma ...	12,502,455	61,317	...	553,505	...	...	242,982
Bihar ...	9,671,400	1,141,600	1,275,100	76,300	64,100	551,100	1,694,000
Central Provinces and Berar...	5,589,220	3,389,153	11,011	4,226,546	88,848	8,800	153,171
Assam ...	5,291,825	...	...	...	...	...	...
North-West Frontier Province ...	38,298	1,030,627	160,951	96,546	147,783	...	471,820
Sind ...	1,124,621	1,118,826	19,776	438,357	809,265	282	2,840
Orissa ...	5,006,375	3,824	200	45,829	9,053	294,288	30,729
Ajmer-Merwara	630	28,356	46,806	78,208	24,998	71	70,630
Coorg ...	83,333	...	...	...	...	3,533	...
Delhi ...	71	45,202	12,375	25,682	56,113	18	2,615
TOTAL ...	79,888,371	25,149,550	6,178,401	21,540,047	13,068,671	3,534,930	6,210,566

Province	Gram (pulse)	Other food grains and pulses	Total food grains and pulses	Linseed	Sesamum (til or jinjili)	Rape and mustard	Groundnut
Madras ...	(a)74,680	6,366,603	25,860,183	1,568	726,867	2,040	2,519,965
Bombay ...	690,451	2,937,515	19,846,560	113,491	170,285	18,798	891,671
Bengal ...	182,900	1,092,500	22,669,700	98,200	165,900	710,700	3,100
United Provinces	5,679,540	6,742,540	37,153,090	194,714	257,843	253,126	87,947
Punjab ...	4,707,909	1,350,256	21,945,083	28,391	85,040	705,239	...
Burma ...	318,962	985,058	14,664,229	17	1,529,168	5,343	660,141
Bihar ...	1,346,100	3,908,000	19,727,700	540,000	124,700	546,000	...
Central Provinces and Berar...	1,216,778	5,160,206	19,843,733	1,131,234	413,358	67,620	133,700
Assam ...	(b)	237,912	5,529,737	4,498	21,007	362,744	
North-West Frontier Province ...	222,822	93,968	2,262,815	43	2,675	93,053	
Sind ...	313,891	265,505	4,093,363	11	33,620	125,538	14
Orissa ...	33,040	583,191	6,006,029	8,995	121,076	24,912	10,207
Ajmer-Merwara	42,279	59,738	351,716	282	21,492	554	
Coorg ...	(b)	1,092	87,958		38	...	
Delhi ...	67,805	8,401	217,782		1	5,307	
TOTAL	14,896,657	29,792,485	200,259,678	2,121,444	3,673,070	2,920,969	4,306,745

(a) Refers to "Bengal Gram"
(b) Included under "Other food grains and pulses".

Area under Crops in British India in Acres—*contd.*
1935-36

Province	Coconut	Castor	Other oil-seeds	Total oil-seeds	Condiments and spices	Sugarcane	Sugar others*
Madras ...	582,760	252,291	61,186	4,146,677	680,873	121,066	86,422
Bombay ...	27,763	48,106	693,225	1,958,339	229,424	83,401	1,297
Bengal ...	13,700	1,800	22,900	1,016,300	164,400	325,400	55,000
United Provinces	...	6,546	82,144	832,820	189,080	2,211,932	...
Punjab ...	...	108	14,421	833,194	70,168	474,200	...
Burma ..	9,448	...	8,506	2,212,623	121,260	41,663	20,928
Bihar ...	...	35,000	241,500	1,487,200	77,500	447,200	...
Central Provinces and Berar...	...	29,492	376,558	2,151,962	114,669	30,488	...
Assam ...	...	3,372	...	391,621	...	37,999	...
North-West Frontier Province ...	...	...	306	96,077	9,016	58,512	...
Sind ...	21	1,443	42,429	203,071	5,866	4,897	418
Orissa ...	33,659	18,982	87,448	305,279	19,739	32,875	882
Ajmer-Merwara	...	...	...	22,328	6,246	59	300
Coorg ...	...	...	...	38	3,754	47	...
Delhi ...	...	...	65	5,373	1,891	3,411	...
TOTAL ...	667,351	392,135	1,580,688	15,662,402	1,643,336	3,873,145	165,247

Province	Cotton	Jute	Other fibres	Total fibres	Indigo	Other dyes
Madras ...	2,664,088	...	181,212	2,845,300	26,390	1,817
Bombay ...	4,163,277	...	100,392	4,263,669	4	524
Bengal	57,900	1,670,300	42,600	1,770,800	...	...
United Provinces ...	587,769	2,024	236,955	826,748	1,920	606
Punjab ...	2,802,747	...	49,019	2,851,766	9,884	12,117
Burma ...	518,353	514	983	519,850	427	...
Bihar ...	31,700	128,400	11,100	171,200	1,200	...
Central Provinces and Berar...	4,067,733	...	137,129	4,204,862	...	30
Assam ...	38,372	117,837	...	156,209	...	...
North-West Frontier Province .	15,269	...	1,106	16,375	...	44
Sind ...	767,766	...	657	768,423	...	454
Orissa ...	9,007	17,200	7,599	33,806	...	726
Ajmer-Merwara	34,732	...	109	34,841	...	...
Coorg ...	...	...	...	...	...	...
Delhi ...	1,890	..	408	2,298	...	7
TOTAL ...	15,760,603	1,936,275	769,269	18,466,147	39,825	15,825

*Area under sugar-yielding plants other than sugarcane such as date palm, palmyra palm.

Area under Crops in British India in Acres—*concld.*
1935-36.

Province	Opium	Coffee	Tea	Tobacco	Other drugs and narcotics (a)	Fodder crops
Madras ...		56,274	75,157	279,393	157,389	463,468
Bombay ...		10	16	159,927	29,606	2,589,882
Bengal ..			200,100	307,100	3,400	100,300
United Provinces	7,888		6,312	85,195	2,240	1,483,747
Punjab ...	2,100		9,569	77,515	996	5,068,559
Burma ...		13	55,521	108,800	64,930	247,017
Bihar			4,000	134,800		23,900
Central Provinces and Berar ...				13,899	777	480,218
Assam			435,661	11,826		
North-West Frontier Province ...				16,501	140	158,317
Sind ...				7,900	110	120,986
Orissa ...		61		25,827	1,595	19,431
Ajmer-Merwara...		...		26	.	1,320
Coorg ...		41,053	415	4		
Delhi ...				1,293		33,316
TOTAL	9,988	97,411	786,751	1,230,006	261,183	10,790,461

Province	Fruits and vegetables including root crops	MISCELLANEOUS CROPS		Total area sown	*Deduct* area sown more than once	Net area sown
		Food	Non-food			
Madras ..	683,872	32,817	134,650	35,651,248	4,681,116	30,970,132
Bombay ...	198,754	1,882	9,750	29,373,045	832,595	28,540,450
Bengal ..	766,500	236,000	80,300	27,695,300	5,021,300	22,674,000
United Provinces	608,447	214,835	8,515	43,582,825	7,676,017	35,906,808
Punjab ...	247.447	234,837	13,379	31,850,814	4,388,680	27,462,134
Burma	1,047.151	15,218	229,756	19,349,386	1,188,211	18,161,175
Bihar .	418,600	1,015,400	315,400	23,824,100	4,462,400	19,361,700
Central Provinces and Berar ...	133,673	2,923	915	26,978,144	2,676,746	24,301,398
Assam ...	420,119	*	147,460	7,130,632	763,640	6,366,992
North-West Frontier Province .	23,240	69,402	1,301	2,711,740	396,706	2,315,034
Sind	50,163	5,021	1,464	5,261,636	476,304	4,785,332
Orissa ...	145,793	61,310	234,573	6,887,926	582,134	6,305,792
Ajmer-Merwara...	663	15,583	3,516	436,598	70,563	366,035
Coorg ...	7.974	...	...	141,243	1,216	140,027
Delhi ...	6,617	251	659	272,898	60,147	212,751
TOTAL ...	4,759,018	1,905,479	1,181,638	261,147,535	33,277,775	227,869,760

(a) Includes figures for Cinchona and Indian hemp also.
*Included under non-food crops.

Yield of Principal Crops in British India.
1935—36

Province	Rice (tons)	Wheat (tons)	Barley (tons)	Jowar (tons)	Bajra (tons)	Maize (tons)	Gram (tons)	Sugarcane (in tons of raw sugar)	Coffee (lbs. of cured coffee)	Tea (b) (lbs.)
Madras	4,741,000	(a)	(a)	1,370,000	716,000	30,000	(d) 15,000	329,000	12,878,000	31,519,000
Bombay	843,000	315,000	7,000	1,504,000	476,000	76,000	112,000	211,000	(a)	(a)
Bengal	7,207,000	33,000	26,000	2,000	1,000	22,000	47,000	560,000	...	96,378,000
United Provinces	1,949,000	2,498,000	1,677,000	449,000	457,000	808,000	1,718,000	3,275,000	...	1,622,000
Punjab	(a)	3,053,000	175,000	89,000	390,000	382,000	954,000	360,000	...	2,479,000
Burma	4,998,000	(a)	...	60,000	...	46,000	55,000	(a)	(a)	(a)
Bihar	2,450,000	416,000	(f) 368,000	(f) 22,000	(f) 23,000	(f) 507,000	(f) 383,000	635,000	...	997,000
Central Provinces and Berar ...	1,468,000	641,000	2,000	845,000	18,000	86,000	231,000	48,000	...	...
Assam	1,663,000	...	...	...	...	...	(a)	37,000	...	226,417,000
North-West Frontier Province ...	(a)	258,000	48,000	12,000	13,000	183,000	32,000	63,000	...	...
Orissa	1,296,000	1,000	...	...	...	...	...	52,000	...	...
Sind	384,000	278,000	5,000	100,000	89,000	1,000	41,000	10,000	...	...
Ajmer-Merwara	(a)	9,000	13,000	4,000	1,000	18,000	3,000	(a)	...	...
Coorg	54,000	...	...	...	...	...	(c)	(a)	10,477,000	164,000
Delhi	(a)	12,000	4,000	1,000	8,000	(c)	17,000	3,000	...	...
TOTAL ...	27,053,000	7,514,000	2,325,000	4,458,000	2,192,000	2,164,000	3,608,000	5,583,000	23,355,000	359,576,000

Province	Linseed (tons)	Sesamum (tons)	Rape and Mustard (tons)	Groundnut (tons of nuts in shell)	Castor (tons)	Cotton (Bales of 400 lbs. each)	Jute (b) (Bales of 400 lbs. each)	Indigo (in cwts. of dye)	Rubber (b) (lbs.)	Tobacco (tons)
Madras	(a)	84,000	(a)	1,202,000	23,000	533,000	...	4,400	2,114,000	132,000
Bombay	12,000	20,000	3,000	419,000	6,000	758,000	...	..	...	151,000
Bengal	16,000	36,000	157,000	(a)	(a)	21,000	6,485,000	...	...	129,000
United Provinces	147,000	103,000	479,000	(a)	(e) 2,000	194,000	(a)	200	...	57,000
Punjab	2,000	7,000	113,000	...	(a)	1,234,000	...	2,000	...	33,000
Burma	(a)	50,000	(a)	144,000	(a)	105,000	...	(a)	20,991,000	46,000
Bihar	75,000	14,000	108,000	(a)	5,000	6,000	319,000	200	...	(f) 52,000
Central Provinces and Berar ...	80,000	33,000	13,000	35,000	4,000	616,000	...	(a)	...	4,000
Assam	(a)	(a)	45,000	...	(a)	15,000	313,000	...	..	4,000
North-West Frontier Province ...	(a)	(a)	8,000	...	...	3,000	...	(a)	...	(a)
Orissa	1,000	14,000	5,000	...	2,000	2,000	45,000	...	...	...
Sind	...	2,000	12,000	...	(c)	323,000	...	...	...	3,000
Ajmer-Merwara	(a)	1,000	(a)	...	...	13,000	...	...	...	(a)
Coorg	...	(a)	(a)	...	(a)	...	...	...	274,000	(a)
Delhi	...	(a)	(c)	...	...	1,000	...	(a)	...	2,000
TOTAL ...	333,000	364,000	943,000	1,800,000	42,000	3,824,000	7,162,000	6,800	23,379,000	613,000

(a) Not available. (b) For calendar year 1935. (c) Less than 500 tons. (d) Figure refers to Bengal Gram.
(e) Excludes estimates for the mixed crop for which there are no reliable data at present. (f) Relates to "Bihar and Orissa".

Irrigation Works—Principal Results of Operations.

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of Land Irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	nterest on Mean Capital Outlay	Percentage of Working Expenses to receipts
PRODUCTIVE WORKS	*Miles*	*Miles*	*Acres*	Rs.	Rs.	Rs.	Rs.	Per cent.	Rs.	Per cent.
Irrigation Works										
Madras:										
Godavari Delta System ..	510	1,926	894,176	1,86,31,139	53,03,801	15,14,002	37,89,799	20·34	6,01,262	28·55
Kistna Delta System ...	350	2,198	752,103	2,19,79,404	47,92,539	11,63,695	36,28,844	16·51	7,48,783	24·28
Cauvery Delta System ...	1,258	3,205	190,058	80,11,041	15,53,320	8,63,923	6,89,397	8·61	3,14,305	55·62
Pennar River Canals System ...	31	477	74,420	68,73,653	6,59,296	1,27,141	5,32,155	7·74	1,97,243	19·28
Periyar System ...	152	118	89,258	1,08,35,654	8,52,927	2,16,151	6,36,776	5·88	3,50,724	25·34
Ganjam Minor River System ...	119	225	18,365	2,89,226	63,052	61,982	1,070	0·37	9,574	98·30
Lower Coleroon Anicut System ..	383	620	75,165	30,01,669	4,77,349	1,67,667	3,09,682	10·32	1,13,732	35·12
Other Systems ...	867	1,202	293,621	8,24,50,395	27,63,763	10,36,161	17,27,602	2·09	38,54,566	37·49
Total ...	3,670	9,971	2,387,166	15,20,72,181	1,64,66,047	51,50,722	1,13,15,325	7·44	61,90,189	31·28
Bombay:										
Ghar Canal	...	...	...	6,78,303	−1,27,656	−13,375	−1,14,281	...	23,060	...
Desert Canal	247	87	146,688	27,55,056	2,33,670	2,03,002	30,668	1·11	89,510	86·88
Fuleli Canal	413	292	241,236	69,51,667	2,95,194	2,69,636	25,558	0·37	3,07,910	91·34
Pinyari Canal ...	386	...	83,390	12,46,655	1,19,704	2,49,345	−1,29,641	...	52,748	208·30
Western Nara and Pritchard ...	...	...	...	22,97,134	12,463	...	12,463	0·54	79,783	...
Other Canals	2,985	4,840	2,412,598	26,94,14,625	94,59,176	57,40,079	37,19,097	1·38	1,01,60,315	60·68
Total ...	4,031	5,219	2,883,912	28,33,43,440	99,92,551	64,48,687	35,43,864	1·25	1,07,13,326	64·53
Bengal	60	176	138,767	1,18,18,936	4,89,726	2,28,415	2,61,311	2·21	5,70,488	46·64

Irrigation Works—Principal Results of Operations—*contd.*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of Land Irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
PRODUCTIVE WORKS—*Contd* .	*Miles*	*Miles*	*Acres*	Rs.	Rs.	Rs.	Rs.	Per cent.	Rs.	per cent.
Irrigation Works—contd.										
United Provinces :										
Ganges Canal	568	3,357	1,188,945	4,34,42,843	72,59,101	17,17,207	55,41,894	12·75	14,38,667	23·66
Lower Ganges Canal	662	3,164	941,111	4,20,27,699	48,97,594	15,24,075	33,73,519	8·03	13,06,303	31·12
Eastern Jumna Canal ...	129	798	326,437	60,88,820	25,94,571	5,50,634	20,43,937	33·84	2,04,974	21·22
Agra Canal	100	902	235,002	1,23,64,220	12,06,833	4,45,056	7,61,777	6·17	3,84,204	36·88
Sarda Canal	912	3,353	1,014,053	9,95,35,321	40,60,307	23,96,148	16,64,159	1·67	45,77,315	59·01
Other Canals	...	182	168,968	3,04,96,679	24,28,904	10,66,807	13,62,097	4·46	11,69,363	43·92
Total ..	2,371	11,756	3,874,516	23,39,05,582	2,24,47,310	76,99,927	1,47,47,383	6·30	90,80,826	34·30
Punjab :										
Upper Bari Doab Canal ...	332	1,503	1,266,671	2,16,63,608	61,91,478	17,14,031	44,77,447	20·67	7,01,671	27·68
Western Jumna Canal ...	308	1,740	890.054	1,39,30,690	39,07,718	16,33,841	22,73,877	12·01	6,19,761	41·82
Sidhnai Canal	67	251	314,925	13,37,130	8,36,814	1,48,926	6,87,888	51·45	42,877	17·80
Sirhind Canal	318	1,629	1.799,525	2,63,55,471	50,40,993	13,67,281	36,73,712	13·94	8,43,842	27·12
Chenab Inundation Canals ...	221	170	194,038	11,75.244	5,07,934	3,93,058	1,14,876	9·77	39,372	77·38
Lower Chenab Canal ... ... Panjnad Headworks	453	2,487	2,363,112	4,43,26,741	1,95,89,871	36,56,287	1,59,33,584	35·95	15,78,964	18·66
Lower Jhelum Canal ... ... Panjnad Headworks	181	1,010	865,985	2,02,54,873	51,48,726	13,82,079	37,66,647	18·60	7,08,033	20·84
Upper Chenab Canal ... ... Panjnad Headworks	172	1,249	538,525	3,77,58,165	29,86,802	13,92,464	15,94,338	4·22	12,20,767	46·62
Upper Jhelum Canal ... ... Panjnad Headworks	128	583	287,552	4,50,10,953	16,80,471	11,80,226	5,00,245	1·11	14,81,987	70·23
Lower Bari Doab Canal ... ... Panjnad Headworks	132	1,335	1,235,164	2,33,20,006	93,14,109	15,98,580	77,15,529	33·09	7,88,489	17·16
Sutlej Valley Project	533	2,937	1,349,633	9,21,61,721	93,06,914	26,06,725	67,00,189	7·27	37,68,381	28·01
Central Workshops	..	...	...	8,45,332	86,890	56,606	30,284	3·58	26,109	65·14
Total ...	2,845	14,854	11,105,185	33,31,39,934	6,45,98,720	1,71,30,104	4,74,68,616	14·25	1,18,20,253	26·52
Burma :										
Shwebo Canal	71	328	201,751	75,15,816	8,85,623	2,43,582	6,42,041	8·54	2,69,894	27·50
Other Canals	274	491	333,719	1,31,89,706	14,14,222	9,87,054	4,27,168	3·23	4,58,911	69·79
Total ..	345	819	535,470	2,07,05,522	22,99,845	12,30,636	10,69,209	5·16	7,28,805	53·51

NOTE—This table refers only to works for which capital accounts are maintained

Irrigation Works—Principal Results of Operations—*contd.*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of land irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
	Miles	*Miles*	*Acres*	Rs.	Rs.	Rs.	Rs.	Per cent	Rs.	Per cent.
PRODUCTIVE WORKS—*contd.*										
Irrigation Works—contd.										
Bihar and Orissa	362	1,225	627,845	2,68,23,355	27,91,733	9,89,777	18,01,956	6·72	8,60,796	35·45
North-West Frontier Province ...	128	200	229,341	1,03,66,843	12,57,705	3,82,402	8,75,303	8·44	3,54,072	30·40
Total Productive Irrigation Works	13,812	44,210	21,782,202	1,07,21,75,793	12,03,43,637	3,92,60,670	8,10,82,967	7·56	4,03,18,755	32·62
Navigation, Embankment and Drainage Works										
Bengal:										
Grand Trunk Canal ..	...	...	...	14,25,330	...	...	...	...	68,220	...
Burma:										
Twante Canal	22	...	...	88,80,958	5,73,453	1,85,414	3,88,039	4·37	3,35,201	32·33
Others	...	...	943,378	61,68,822	16,32,941	3,32,443	13,00,498	21·08	2,18,693	20·35
Total	22	...	943,378	1,50,49,780	22,06,394	5,17,857	16,88,537	11·22	5,53,894	23·47
Total Productive Navigation, Embankment and Drainage Works	22	..	943,378	1,64,75,110	22,06,394	5,17,857	16,88,537	10·25	6,22,114	23·47
TOTAL PRODUCTIVE WORKS	13,834	44,210	22,725,580	1,08,86,50,903	12,25,50,031	3,97,78,527	8,27,71,504	7·61	4,09,40,869	32·46
UNPRODUCTIVE WORKS.										
Irrigation Works.										
Madras	916	842	231,802	1,39,94,301	11,29,268	5,46,134	5,83,134	1·32	14,68,083	48·36
Bombay	1,516	1,249	993,753	13,22,71,070	53,55,755	29,69,339	23,86,416	1·80	50,93,814	55·44
Bengal	70	255	37,884	84,92,053	61,785	1,31,834	—70,049	...	2,76,175	218·38
United Provinces	428	1,903	467,839	3,73,03,188	18,14,223	10,16,039	7,98,184	2·13	13,40,919	56·00
Punjab	979	1,008	737,196	1,37,39,164	14,80,807	13,41,700	1,39,107	1·01	5,73,136	90·61
Burma	143	446	221,679	2,02,50,055	7,82,387	7,59,880	22,507	0·11	8,08,381	97·12
Bihar and Orissa	361	1,510	310,411	3,59,78,452	9,88,396	6,44,579	3,43,817	0·96	11,73,373	65·21
Central Provinces	862	3,137	294,179	6,78,92,023	9,49,708	6,71,730	2,77,978	0·41	27,90,587	70·73
North-West Frontier Province ...	131	432	201,565	2,11,79,781	9,81,284	5,20,707	4,60,577	2·17	7,26,639	53·06
Rajputana	...	...	...	35,59,340	1,08,593	68,501	40,092	1·12	1,15,190	63·08
Baluchistan	8	71	20,858	35,80,898	44,908	62,387	—17,479	...	1,38,092	138·92
Total Unproductive Irrigation Works	4,914	10,853	3,517,166	38,82,40,325	1,36,97,114	87,32,830	49,64,284	1·28	1,44,99,389	63·76

Irrigation Works—Principal Results of Operations—*concld.*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of land irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
	Miles	*Miles*	*Acres*	Rs.	Rs.	Rs.	Rs.	Per cent	Rs.	Per cent
Navigation, Embankment and Drainage Works										
Madras	294	...	...	93,73,918	81,349	1,88,495	—1,07,146	...	2,96,090	231·71
Bengal	1,238	...	...	3,19,44,278	6,39,206	10,09,417	—3,70,211	...	12,90,528	157·92
Burma	38	...	382,665	1,35,74,044	7,97,707	4,88,035	3,09,672	2·28	5,72,576	61·18
Total Unproductive Navigation, Embankment and Drainage Works	1,570	...	382,665	5,48,92,240	15,18,262	16,85,947	—1,67,685	...	21,59,194	111·04
TOTAL UNPRODUCTIVE WORKS	6,484	10,853	3,899,831	44,31,32,565	1,52,15,376	1,04,18,777	47,96,599	1·08	1,66,58,583	68·48
GRAND TOTAL, PRODUCTIVE AND UNPRODUCTIVE WORKS, 1935-36	20,318	55,063	26,625,411	1,53,17,83,468	13,77,65,407	5,01,97,304	8,75,68,103	5·71	5,75,99,452	36·43
Totals ... 1934-35 ...	21,021	57,989	24,974,353	1,50,97,73,060	12,33,85,426	4,91,82,203	7,42,03,223	4·91	5,57,70,878	39·86
1933-34 ...	20,950	53,979	26,019,861	1,48,75,60,794	13,10,39,719	4,85,58,144	8,24,81,575	5·54	5,43,64,899	37·06
1932-33 ...	21,019	56,187	26,267,982	1,46,23,75,524	12,54,54,330	4,71,69,764	7,82,84,566	5·35	5,15,30,734	37·60
1931-32 ...	23,057	51,101	25,206,161	1,42,63,10,902	11,53,70,296	4,45,03,636	7,08,66,660	4·97	4,78,99,101	38·57
1930-31 ...	22,912	49,618	26,622,486	1,36,44,09,186	12,09,20,904	5,69,34,204	6,39,86,700	4·69	4,69,69,320	47·08
1929 30 ...	22,999	50,038	27,361,206	1,30,26,84,335	12,94,29,508	5,85,83,531	7,08,45,977	5·44	4,61,45,741	45·26
1928-29 ...	22,976	49,402	26,330,874	1,23,02,76,159	11,75,55,437	5,06,40,162	6,68,69,571	5·44	4,27,54,198	43·08
1927-28 ...	22,402	44,587	22,802,900	1,15,31,67,211	12,10,06,522	4,74,85,444	7,35,21,078	6·38	4,08,48,335	39·24
1926-27 ...	21,539	41,699	23,172,488	1,08,06,08,208	11,50,18,095	4,51,52,782	6,98,65,313	6·47	3,86,98,308	39·26

Area of Forest Lands and Outturn of Forest Produce

Province	Area of Province*	Forest Area: Reserved Forests	Forest Area: Protected Forests	Forest Area: Unclassed State Forests, etc.†	Total	Proportion of Forests to whole Area of Province	Outturn of Produce: Timber and Fuel	Outturn of Produce: Minor Produce
	Sq. miles	Sq. miles	Sq. miles	Sq. miles	Sq. miles	Per cent.	Cu. ft.	Rs.
Madras	142,260	15,724	750	...	16,474	11·6	18,331,000	2,24,241
Bombay	123,280	13,318	876	...	14,194	11·5	75,490,000	31,78,147
Bengal	76,960	6,468	889	3,445	10,802	14·0	26,076,000	4,11,840
United Provinces	106,248	5,195	4	52	5,251	4·9	33,600,000	14,33,264
Punjab	95,315	1,524	3,207	453	5,184	5·4	33,433,000	18,34,482
Burma (including Federated Shan States and Karrenni) ...	(a)253,291	34,645	...	131,415	166,060	65·6	111,267,650	8,33,723
Bihar and Orissa	83,054	1,883	1,086	4	2,973	3·6	9,655,000	2,71,719
Central Provinces and Berar ...	98,573	19,398	...	...	19,398	19·7	49,406,000	20,95,469
Assam	55,445	6,647	...	14,765	21,412	38·6	12,674,000	5,28,940
North-West Frontier Province	13,099	266	...	16	282	2·2	3,167,000	60,143
British Baluchistan ...	46,974	341	...	472	813	1·7	769,827	69,576
Ajmer-Merwara	2,767	142	...	...	142	5·1	577,948	46,658
Coorg	1,582	519	...	326	845	53·4	568,414	44,175
Andamans and Nicobars ...	2,508	52	...	2,137	2,189	87·3	3,180,000	7,301
TOTAL, 1935-36 ...	1,101,356	106,122	6,812	153,085	266,019	24·2	378,195,834	1,10,39,678
TOTALS ... 1934-35 ...	1,100,641	106,240	6,938	168,333	281,511	25·6	401,142,598	99,96,730
1933-34 ...	1,099,503	106,079	7,003	169,582	282,664	25·7	317,257,081	1,12,07,444
1932-33 ...	1,099,313	106,179	7,212	147,828	261,219	23·8	313,707,129	1,10,67,710
1931-32 ...	1,101,902	105,960	6,682	133,189	245,831	22·3	305,911,538	1,13,27,397
1930-31 ...	1,102,602‡	107,753	6,263	135,694	249,710	22·6	322,852,829	1,25,86,854
1929-30 ...	1,103,491‡	107,353	6,298	135,503	249,154	22·6	350,163,521	1,50,83,945
1928-29 ...	1,103,593‡	106,849	6,308	136,665	249,822	22·7	364,189,585	1,51,78,816
1927-28 ...	1,103,579‡	105,588	7,658	136,864	250,110	22·6	370,173,767	1,43,15,363
1926-27 ...	1,100,146‡	(b)102,218	8,626	(b)116,303	227,147	20·6	362,035,906	1,45,87,908

NOTE—For figures of Forest Revenue and Expenditure *vide* Tables Nos. 127 and 128.

* Excludes Delhi Province.

† Unclassed State forests or 'public forest lands,' as they are often called, include in many provinces all unoccupied waste, often entirely devoid of trees. So the statistics do not necessarily represent the wooded areas.

‡ Excludes Delhi Province and the British Pargana of Manpur (Central India).

(a) Includes 61,016 square miles for Federated Shan States.

(b) Excluding figures for Shan States and Karrenni.

Protection of Forests—Results of Protection from Fire and from Cattle

PROVINCE	Total area of all forests	Protection from Fire: Area attempted	Protection from Fire: Area protected	Protection from Fire: Percentage of forests under fire-protection to total area of forests (Reserved and Protected)	Protection from Cattle: Area closed to all animals	Protection from Cattle: Area closed to browsers only	Grazing: Number of animals grazed on payment	Grazing: Number of animals grazed free	Grazing: Total number of animals grazed
	Sq. miles	Sq. miles	Sq. miles		Sq. miles	Sq. miles			
Madras	16,474	4,345	3,991	28·0	1,984	597	1,496,604	125,443	1,622,047
Bombay	14,194	7,942	7,431	67·0	1,784	9,509	1,920,262	597,719	2,517,981
Bengal	10,802	1,758	1,738	27·2	6,230	126	48,144	3,519	51,663
United Provinces ...	5,251	4,465	3,948	85·3	1,986	949	378,242	661,428	1,039,670
Punjab	5,184	920	899	60·4	491	472	483,693	2,155,522	2,639,215
Burma (including Federated Shan States) ...	166,060	138	135	0·3	26,334	7,742	62,561	413,464	476,025
Bihar and Orissa ...	2,973	1,953	1,723	97·2	628	1,798	35,378	429,928	465,306
Central Provinces and Bihar	19,398	15,673	15,118	80·8	2,372	13,562	2,844,679	262,179	3,106,858
Assam	21,412	28	28	0·4	4,717	7	18,039	17,189	35,228
North-West Frontier Province	282	148	146	56·0	95	163	4,308	15,428	19,736
British-Baluchistan ...	813	...	..	...	100	3	32,843	79,354	112,197
Ajmer-Merwara ...	142	142	137	99·4	139	78	22,809	1,460	24,269
Coorg	845	230	216	44·0	519	439	3,270	17,924	21,194
Andamans and Nikobars ...	2,189	...	...	...	52	358	...	...	...
TOTALS, 1935-36 ...	266,019	37,742	35,510	38·5	47,431	35,803	7,350,832	4,780,557	12,131,389
TOTALS 1934-35 ...	281,511	37,872	35,693	42·1	47,997	52,057	7,304,957	4,641,674	11,946,631
1933-34 ...	282,664	48,513	46,283	42·9	48,737	40,147	7,371,539	4,707,610	12,079,149
1932-33 ...	261,219	46,843	44,879	41·3	48,993	45,924	7,428,346	4,564,318	11,992,664
1931-32 ...	245,831	46,271	43,236	40·8	47,966	37,048	7,518,906	5,056,408	12,605,314
1930-31 ...	249,710	45,838	43,862	40·7	46,400	36,951	8,346,263	4,478,203	12,824,466
1929-30 ...	249,154	46,178	43,997	40·9	45,849	37,224	9,278,158	4,805,737	14,083,895
1928-29 ...	249,822	43,993	41,993	41·1	45,879	37,140	9,285,053	4,888,750	14,173,803
1927-28 ...	250,110	42,173	40,205	39·9	46,148	36,423	9,142,845	4,831,196	13,974,041
1926-27 ...	251,755	38,814	37,659	36·9	46,406	35,687	8,408,976	4,741,748	13,150,724

Cotton Mills Production (Yarn)

BRITISH INDIA	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Madras	64,498	68,748	69,036	74,480	76,926	87,729	104,910	98,274	103,766	113,615
Bombay	512,021	491,840	329,856	467,289	475,944	549,039	558,595	484,715	523,044	548,806
Bengal	31,537	34,347	30,022	37,053	37,763	37,620	40,821	39,912	41,056	40,991
U. P.	68,795	66,611	60,328	76,456	85,049	89,731	93,130	93,865	99,701	108,020
Punjab	3,174	3,780	3,017	3,717	4,032	5,171	5,033	2,571	2,700	7,119
Burma	480	64	2,048	2,576	3,625	3,259	3,280	3,329	4,023	3,671
Central Provinces and Berar ...	38,896	42,860	44,057	45,117	45,102	44,143	45,385	41,595	45,009	46,428
Ajmer-Merwara	4,513	4,231	4,992	5,695	6,003	6,962	7,797	8,098	8,631	10,385
Delhi	10,310	12,107	14,319	18,442	19,581	24,472	26,791	24,352	25,311	25,204
Total British India ...	734,224	724,588	557,765	730,819	753,665	848,126	885,772	796,711	853,241	904,239
Total Indian States and Foreign Territory	72,892	84,352	90,621	102,741	113,613	118,247	130,650	124,349	148,179	155,048

Cotton Mills Production (Woven Goods)

PPOVINCES	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Madras 000 lbs. ...	18,421	19,949	19,632	20,714	19,668	21,774	22,558	20,131	23,530	23,255
Bombay ,, ...	407,282	421,591	284,037	376,413	392,057	459,248	462,222	415,072	56,690	471,240
Bengal ,, ...	7,495	8,807	9,959	14,357	16,748	17,204	20,852	23,642	32,368	32,601
United Provinces ,, ...	21,943	25,115	25,698	30,339	33,955	36,370	41,466	47,410	54,336	53,740
Punjab ,, ...	1,393	1,549	962	1,095	1,204	2,076	2,250	1,440	2,220	5,688
Central Provinces and Berar ,, ...	19,058	19,217	20,265	21,343	21,648	21,101	20,714	18,614	25,096	23,611
Ajmer-Merwara ,, ...	3,294	3,360	3,778	4,421	4,805	5,866	6,710	6,455	6,843	7,399
Delhi ,, ...	8,312	10,205	12,162	15,939	17,785	21,657	21,119	18,342	20,040	19,525
Bihar and Orissa (a) ,, ...	...	...	..	..	...	...	61	86	47	83
Burma (b) ,, ...	...	...	...	...	...	...	...	206	449	478
Total British India ,, ...	487,198	509,293	376,513	484,621	507,870	585,296	597,952	551,398	621,619	637,620
Total Indian States and Foreign Territory 000 lbs. ...	57,571	58,513	69,144	77,615	82,488	86,962	96,949	94,463	115,030	123,982
Grand Total ...	538,769	567,806	445,657	562,236	590,358	672,258	694,901	645,861	736,649	761,552

(a) Figures for Bihar and Orissa are being reported from April, 1932.
(b) Figures for Burma are being reported from August, 1933.

CO-OPERATIVE SECTION:

CO-OPERATION IN INDIA

Contrary to what one might expect from the natural wealth of India, the Indian peasant is steeped in poverty. The danger to the nation as a whole will be evident when the predominance of the agricultural population in India is taken into account. The poverty of the Indian cultivator is due to several causes. The holdings of the cultivators have been subject to frequent fragmentation, mainly due to the Hindu and Mohammedan laws of inheritance, with the result that the average holding has become very small and uneconomic. The Indian cultivator is exposed to the vagaries of the monsoon; but this unfavourable condition has been largely mitigated by the sound policy of irrigation adopted by the State. All these factors have resulted in his heavy indebtedness. Progress is rendered all the more difficult by his illiteracy. The problem of rural uplift is imprisoned in many a vicious circle and it is co-operation that must break all such vicious circles.

It is more than a quarter of a century since the co-operative movement began in India. The movement was largely influenced by the two most outstanding examples in co-operation abroad—Germany and Denmark. Economic conditions in Germany in the middle of the last century, in so far as they affected the agriculturist, were not much different from those in India to-day. The small farmer was exploited by the moneylender. The success of the institutions abroad attracted the attention of those who were anxiously looking for assistance in solving the problem of rural poverty. The Government of Madras took the initiative and Mr. Nicholson who was deputed to study the problem, brought out a very valuable report. In the United Provinces and the Punjab several societies were organised on the initiative of the Government. The Famine Commission of 1901 strongly advocated the establishment of mutual Credit Societies. The recommendations were carefully considered by two committees ; and these efforts led to the passing of the Co-operative Credit Societies Act of 1904.

The Act provided only for the formation of credit societies. The main reason for this restriction was that in a relatively backward population, the non-credit organisations might encounter too many impediments. Also, special emphasis was laid on rural credit on account of its more urgent character.

The various provincial governments immediately gave effect to the policy of co-operation. A separate department was formed and with the increasing progress, the department grew in numbers and importance. The aim of the department, from the beginning, was to instruct the people as to the benfits of co-operation and train individuals for the task of managing the new societies in accordance with co-operative principles. In the first few years the number of societies grew up slowly, but from 1910 the growth was much accelerated; and soon it exceeded the expectations of its promoters. The credit societies paved the the way for societies for distribution and other non-credit purposes. There was a great need for the free supply of capital and improved system of supervision; and various central agencies were established to control and finance the primary credit societies. But these organisations had no legal recognition.

In order to remove the deficiencies of the Act of 1904, a revised Act was passed in 1912, known as the Co-operative Societies Act of 1912. The non-credit forms of co-operation were recognised by this Act. It also recognised the three kinds of central societies as distinguished from primary societies, namely, Unions consisting of primary socities for mutual control and audit ; central banks consisting of societies and individuals and provincial banks consisting of individuals. In certain provinces the unlimited liability societies were allowed, subject to consent by the provincial governments concerned, to declare dividends in view of the importance of share capital.

According to the new Act, the distinction between societies was made on a more scientific basis namely, "limited" and "unlimited liability societies.

The new Act gave a fresh impetus to the movement. New types of socities, such as co-operative produce sale societies, milk supply societies and cattle insurance societies were started; and many of them made good progress. There was a rapid increase in the number of central societies; and the movement was winning the confidence of the public. The Reforms Act of 1919 made co-operation a provincial Transferred Subject; and every province was enabled to make progress on lines best suited to its local needs.

Though the movement has made rapid strides, the progress has not been uniform in the different parts of the country. Bengal, the Punjab and Madras have the largest number of societies while a major province like Bombay and others like Bihar and Orissa, the United Provinces, the Central Provinces, Burma and Assam have a distinctly smaller number of societies. The co-operative movement has also made considerable progress in many of the India Native States. Bhopal and Gwalior have the largest number of socities among the Native States.

In spite of the steady progress of the movement for nearly twenty years, the burden of agriculturist indebtedness has hardly lessened. This is due to the reason that co-operative credit was confined only to short-term loans. To remedy this defect, a Co-operative Land Mortage Bank was started in Punjab in 1920: and soon the other provinces followed suit. Defaults in repayment of loans and other defects became common. The various provinces established Co-operative Enquiry Committees and certain provinces like Bombay and Madras passed their own Provincial Co-operative Acts.

The non-credit co-operative movement had to encounter more obstacles and its progress was comparatively slow. Co-operative Cotton Sale Societies were established in Karnatak, Guzerat and Khandesh. In Burma cattle insurance societies were established and several co-operative irrigation societies sprang up in Bengal and in Bombay. But the most remarkable form of non-credit co-operation in India is the consolidation of holdings by co-operation in the Punjab. Many important recommendations for the progress of both the credit and non-credit forms of co-operations have been made by the Royal Commission on Agriculture appointed in 1926 and the recent Indian Central and Provincial Banking Enquiry Committees.

The co-operative movement was much affected by the period of depression. At the instance of the Government of India, an All-India Co-operative Conference was held in January, 1934. The Conference was attended by the Registrars of Co-operative Societies, the Ministers in charge of co-operation of the various provinces and the representatives of the two All-India organisations—the Institute's Association and the Provincial Banks' Association. The Conference recommended the enactment of an All-India Co-operative Societies Act so as to permit the registration of co-operative societies working in the whole of India or in more than one province. It also recommended that the Government should help the development of land mortgage banks by both guaranteeing the interest on their debentures as well as the capital. A third suggestion was the creation of a Central Board in order to bring about a closer co-ordination of work between the different provinces and States of India.

Though the co-operative movement has produced valuable results it has not gone to the root of the economic and social ills from which the country is suffering to-day. But its achievements cannot be denied. "Knowledge of the co-operative system is now widespread ; thrift is being encouraged ; training in the handling of money and in elementary banking principles is given. Where the co-operative movement is strong ly established, there has been a general lowering of the rate of interest charges by money-lenders ; the hold of the money-lender has been loosened, with the result that a marked change has been brought about in the out-look of the people."

It must be, however, admitted that all these benefits have been secured only on a small scale. Much remains yet to be attained in the sphere of non-agricultural co-operation. Even agricultural co-operation has been practically confined to the sphere of credit. The various defects in the present working of the movement—such as unpunctuality of payments, unnecessary delay in issuing loans and the appointing of those who are not properly trained for the task should be remedied. In co-operation lies the future of rural India. "If co-operation fails, there will fail the best hope of rural India."

Table I

(a) *Number of Societies* for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 to 1924-25	Average for 5 years from 1925-26 to 1929-30	Average for 5 years from 1930-31 to 1934-35	1935-36
Central (including Provincial and Central Banks and Banking Unions) ...	...	304	506	587	612	626
Supervising and Guaranteeing Unions (including Re-insurance Societies ...	231	688	1,302	1,394	1,000	731
Agricultural (Including cattle Insurance Societies	10,891	25,873	51.716	83,093	93,149	94,433
Non-Agricultural ...	664	1,662	4,183	8,862	10,953	12,167†
Total ...	11,786	28,477	57,707	93,936	1,05,714	107,957

† Including three Insurance Societies

(b) *Number of Societies by Provinces and States for 1935-36*

Province	Population (millions)	Central	Supervising and guaranteeing unions	Agricultural	Non-Agricultural	Total No. of societies	No. of societies per 1,00,00 inhabitants
Bombay	19·1	14	96	3,913	824	4,847	25·4
Punjab	25 2	119	...	18.559	3,820	22,498	89·3
United Provinces ...	50·0	73	3	6,924	421	7,121	14·8
Bihar & Orissa	39 7	67	29	8,502	330	8,928	22·5
Bengal	51·9	118	3	21,112	2,279	23,512	45·3
Assam	9·3	21	...	1 301	93	1,115	15·2
Burma	13·9	11	228	1,734	177	2,150	15·5
Madras	49·1	33	301	11,482	1,468	13,284	27·1
Central Provinces & Berar	16·4	36	6	3,662	116	3,820	23·3
N. W. F. Province ...	2·5	8	...	569	50	622	24·9
Coorg	0·2	1	13	230	38	282	141·0
Ajmer-Merwara ...	0·6	7	2	617	124	750	125·0
Hyderabad Administered Area	0·2	...	1	...	26	27	18·5
Delhi	0·7	1	...	217	76	294	42·0
Sind	4·2	1	18	1,000	250	1,269	30·2
Total (British India)	283·0	505	700	79,822	10,092	91,119	32·2
Mysore	6·9	12	...	1,451	441	1,904	27·6
Baroda	2·6	8	1	961	201	1,111	42·7
Hyderabad	15·5	40	1	2,435	475	2,951	19·0
Bhopal	0·7	22	...	919	22	9,63	137·6
Gwalior	3·7	18	. .	4,183	43	4,244	114·7
Indore	1·4	5	...	662	58	725	51·8
Kashmir	3·8	14	...	2,578	359	2,951	77·7
Travancore	5·7	1	29	1,355	358	1,743	30·6
Cochin	1·3	1	...	127	118	246	18·9
Total (Indian States) ...	41·6	121	31	14,661	2,095	16,838	40·5
GRAND TOTAL ...	324·6	626	731	94,433	12,167	107,957	33·2

Table II

(a) *Number of Members* for all India showing the increase since 1910-11

	Average for 5 years from 1910-11-to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 to 1924-25	Average for 5 years from 1925-26 to 1929-30	Average for 5 years from 1930-31 to 1934-35	1935-36
Central (including Provincial and Central Banks and Bankiug Unions.) ...	28,677	89,925	1,63,822	2,12,098	200,274	196,746
Supervising and Guaranteeing Unions (including Re. insurance Societies) ...		10,971	24,487	34,621	36,082	34,403
Agricultural (including Cattle Insurance Societies) ...	4,59,096	9,02,930*	16,61,098	27,91,562	3,063,628	3,050,384
Non-Agricultural (including other insurance Societies)	89,957	2,26,081	4,93,509	8,97,279	1,258,641	1,458,895
Total Number of Members of primary Societies ...	5,43,258	11,28,961	21,54,607	36,18,841	4,322,269	4,508,729

*Excluding members of Cattle Insurance Societies at the end of 1915-16 and 1916-17 those in Bombay and the United Provinces at the end of 1917-18

(b) *Number of Members* by Provinces and States for 1935-36

Province	Popu.	Central Including (Provincial & Central Banks and Banking Unions)	Supervising & guarantee unions (including Reinsuran Socities)	Agricultu ncluding cattle urance Socities)	on-Agricultural cluding other rance Societies)	'otal No. o: membe of rimary Societi	No. of Members of mary Societies 1.000 inhabitants
Madras ...	49·1	16,180	8,364	585,401	302,287	887,688	.18·1
Bombay ...	19·1	13,649	2,796	263,113	274,351	537,464	28·1
Sind	4·2	2.623	692	31,155	39,675	76,880	16·9
Bengal ...	51·9	25,736	257	506,610	280.478	796,088	15·3
Bihar & Orissa ...	39·7	11.353	9,240	229,014	33,143	212,187	6·6
United Provinces ..	50·0	12,185	109	163,662	43,113	206,775	4·1
Punjab ...	25·2	36,165	...	632,348	145,050	775,898	30·8
Burma ...	13·9	1,582	1,100	36,868	37,342	74,210	3·3
C. P. & Berar ...	16·4	43 140	7,021	51,715	21,454	73,169	4·5
Assam ..	9·3	2,015		45,274	15,313	61,587	6 6
N. W. F. ...	2·5	531		19,441	2,882	22,323	8·9
Coorg	0·2	406	229	12,891	4,689	17,580	87·9
Ajmere-Merwara ...	0·6	1,193	45	14,168	7,885	21,558	35·9
Hyderabad ...	0·2	...	26	..	10,431	10,431	52·2
Delhi	0·7	484		5,670	6,430	12,100	17·3
Total(British India)	283·0	167,742	30,379	2,598,860	1,283,028	3,881,583	13·5
Mysore ...	6·9	2,856	...	64,178	77,425	141,608	20·5
Baroda	2·6	2,551	39	29,151	19,165	44,316	18·6
Hyderabad ...	15·5	5,374	2,372	49,284	27,950	77,234	5·0
Bhopal	0·7	2,218	...	17,738	588	18,276	26·1
Gwalior ...	3·7	6,701	...	75,228	686	75,914	20·5
Indore	1·4	2,076	...	11,000	10,808	21,868	15·6
Kashmir ..	3·8	3,414	...	46,618	6,827	52,955	14·0
Travancore ...	5·7	3,665	1,613	149,206	68,329	217,535	38·2
Cochin ...	1·3	149	..	9,571	14,084	23,655	18·2
Total (Indian States)	41·6	29,004	4,024	451,974	225,372	677,346	16·3
Grand Total	324·6	196,746	34,403	3,050,344	1,458,895	4,508,729	13·9

(b) *Working Capital* by Provinces and State for 1935-36

Province	Population	Share Capital Paid-up	Loans & Deposits held at the end of the year from: Members	Societies	Provincial or Central Banks	Non-members and other sources	Government	Reserve Fund	Other Funds	Total	No. of annas per head of population
	Milns.	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1.000)	R(1,000)	R(1,000)
Madras	49·1	2,24,96	1,17,00	1,20,27	4,94,71	4,76,53	21,01	1,59,34	59,84	16,78,67	53
Bombay	19·1	1,95,45	3,12,23	86,50	2,23,18	4,52,13	27,37	1,27,63	71,80	14,87,89	125
Sind	4·2	45,39	61,70	20,69	49,22	1,12,45	9,93	17,28	10,37	3,28,54	125
Bengal	51·9	2,32,79	1,37,62	34,31	5,03,97	6,40,73	45	2,52,82	61,30	18,69,05	58
Bihar & Orissa	30·7	50,73	24,43	5,40	2,17,37	1,92,45	18,31	54,57	18,37	5,86,69	24
United Provinces	50·0	63,12	10,37	6,95	45,74	45,71	19	47,25	12,33	2,41,36	8
Punjab	25·2	1,90,78	69,90	70,20	5,35,16	5,55,41	1,07	1,75,46	2,40,87	18,48,94	117
Burma	13·9	92,11	10,87	11,29	27,89	17,79	8,71	64,40	4,40	2,38,46	27
C. P. & Berar	16·4	35,12	5,27	27,72	1,92,04	1,85,92	19	46,39	47,46	5,40,61	53
Assam	9·3	8,63	9,25	3,22	17,94	33,93	76	15,61	2,60	92,05	16
N. W. F. Provinces	2·5	3,91	2,29	92	7,44	6,10	...	1,85	31	22,82	15
Coorg	0·2	3,52	45	1,40	4,44	3,12	20	3,45	29	16,88	135
Ajmer-Merwara	0·6	7,81	8,09	3,29	11,07	12,87	..	6,32	5,38	54,83	146
Hyderabad Administered Area ...	0·2	2,65	4,80	...	...	3,62	70	1,03	20	13,09	105
Delhi	0·7	3·23	4,96	63	5,63	11,56	...	3,38	1,59	31,08	71
Total (British India) ...	283·0	11,80,79	7,78,17	3,92,94	23,43,20	27,50,57	88,90	9,78,28	5,32,61	90,45,46	51
Mysore	6.9	52,60	40,59	5,54	27,03	62,94	3,08	31,27	12,98	2,36,07	55
Baroda	2·6	9,12	21,41	4,56	12,84	18,31	1,74	12,46	1,46	81,90	50
Hyderbad	15·5	54,22	6,17	4,04	67,64	53,15	2,76	20,94	23,78	2,32,70	24
Bhopal	0·7	1,32	8	44	6,65	13,95	3,24	9,61	1,01	22,31	51
Gwalior	3·7	12,90	1,71	4,35	...	29,90	26,54	27,59	2,40	89,49	39
Indore	1·4	7,12	13,93	1,13	16,07	17,63	2,23	18,98	1,44	90,80	104
Kashmir	3·8	24,33	35	1,89	26,04	20,54	1,13	7,61	14,98	93,96	40
Travancore	5·7	35,73	10,27	2,73	11,57	...	1	10,16	91	91,92	26
Cochin	1·3	3,55	3,46	1,48	3,51	7,27	26	4,37	1,58	25,48	31
Total (Indian States) ...	41·6	2,00,89	97,92	26,20	1,71,35	2,23,70	41,04	1,42,99	60,54	9,64,63	37
Grand Total ..	324·6	13,81,68	8,76,09	4,19,14	25,14,55	29,74,27	1,29,94	11,21,27	5,93,15	1,00,10,09	49

Table III

(*c.*) *Working Capital* for all India showing the increase since 1910-11

	Average fo years from 1910-11 to 1914-15.	Average for 5 years from 1915-16 to 1919-20.	Average for 5 years from 920-21 924-25.	Average for 5 years from 1925-26 to 1929-30.	Average for 5 years from 1930-31 to 1934-36.	1934-35.	1935-36.
	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R((1,000)		R(1,000)
Share capital paid up ...	88,87	2,51,97	5,25,66	9,94,17	12,91,42	13,48,19	13,81,68
Loans and deposits held at the end of the year from Members	83,28	96,35	2,54,45	5,03,42	7,46,76	8,39,40	8,76,09
Loans and deposits held at the end of the year from Societies	1,93,42*	47,81	1,40,98	2,92,88	3,79,72	4,00,32	4,19,14
Loans and deposits held at the end of the year from Provincial or Central Banks ...		5,03,19	12,29,88	24,62,43	26,95,98	24,70,89	25,14,55
Loans and deposits held at the end of the year from Government	1 ,87	25,58	67,69	1,63,34	1,53,51	1,28,67	1,29,94
Loans and deposits held at the end of the year from Non-Members and other sources ...	1,41,98	4,70,25	10,96,22	23,59,69	29,12,06	29,33,71	29,74,27
Reserve and other Funds	25,00	1,23,32	3,12,38	7,13,21	12,81,61	11,27,98 4,44,26	11,21,27 5,93,15
Total	5,43,42	15,18,47	36,36,26	74,89,13	12,81,61	96,88,52	1,00,10,09

*Includes loans from Provincial or entral Banks.

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THE REVIEW OF INDO-BURMESE TRADE RELATIONS

The constitution of Burma into a separate unit of the British Empire has obviously great significance to India's foreign trade. For one thing, it means a fall in our export surplus for which, it is doubtful whether there is a corresponding reduction in our annual foreign obligations. The latter is notoriously difficult of exact appraisement. Though it may be presumed that the division of external debt burdens between Burma and India consequent on the separation has been made on whole on an equitable basis, there is no similar warrant for assuming that the interest and profits on foreign capital and other items entering into the invisible imports are divided between Burma and India in the same proportion in which the two countries have hitherto contributed to total favourable balance of trade. Even apart from these financial considerations, there is little reason for denying all economic significance to the political *fait accompli* and continuing to regard Burma as part of India.

This is no plea for making every political frontier to some extent an economic barrier as well. And an enquiry into the existing trade between India and Burma need not be carried out with the implicit motive of recommending trade barriers. It is quite possible that an analysis of the trade passing between the two countries will reveal potentialities of expansion, which it is obviously to the interest of the two countries to realise to their fullest extent. For the present, however, such an examination is necessary even for a correct estimate of the trends of our foreign trade, inasmuch as the separation of Burma from India has meant the provision in the official blue books of figures that are not comparable. It is with a view to furnish this necessary corrective that this review of Indo-Burmese trade relations has been, in the main, undertaken, though it is not unreasonable to hope at the same time that such an enquiry will yield by-products not less valuable than the main one. We shall aim in this instance rather to provide the necessary material for judgment than to influence it in any manner. Students of foreign trade will need to have the figures for over a decade recalculated on the basis that India and Burma have remained separate units of the Empire for as long a time. And one must feel thankful that in this regard the authorities in Burma have been extremely helpful in providing the figures of the foreign trade of Burma considered as a separate unit.

It is necessary as a preliminary to understand the main features of Burma's economy. The simple economy of Burma is dependent upon a few primary products such as rice, teak and oil ; and even of these, she is predominantly dependent on rice, as more than two-thirds of the cropland is ordinarily sown with paddy and rice forms in good years as much as 60 per cent. of the total export trade of the country ; and even in poor years this percentage does not sink below 40. It may be inferred from this that Burma is even more susceptible to changes in world demand and world prices than the Indian mainland. And it is only to be expected that the total external trade of the country which at one time was valued at Rs. 100 crores slumped at the beginning of the decade to as low as Rs. 64 crores. But it is noteworthy that throughout the decade ending 1937, the export of rice and rice products displayed a notable stability having varied only within the limits of 2.95 and 3.73 million tons. The features of Burma's foreign trade are determined therefore largely by the price which Burma gets primarly for rice and then for teak and oil. It also follows that the import trade in a country with so simple an economy, comprises various lines of manufactured articles for which the demand is dependent on the purchasing power of the agricultural population.

The following table extracted from the *Burma Trade Journal* shows the value of the trade of Burma during the last decade.

TABLE I

THE TRADE OF BURMA

(Values in Lakhs of Rupees)

PARTICULARS	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Imports—										
A.—From Foreign Countries ...	21,04	21,41	16,46	10,50	10,70	8,57	9,84	10,87	10,85	11,70
B.—From India ...	14,03	13,78	11,01	9,90	8,77	8,42	9,65	8,95	9,93	12,10
Total Imports ...	35,07	35,19	27,47	20,40	19,47	16,99	19,49	19,82	20,78 (21'78)	23,80
Exports—										
A.—To Foreign Countries ...	33,57	39,40	32,17	22,83	19,13	17,35	17,33	19,96	21,10	25,69
B.—To India ...	32,00	28,88	22,02	21,30	26,21	29,00	32,88	33,76	34,43	24,73
Total Exports ...	65,57	68,28	54,19	44,13	45,34	46,35	50,21	53,72	55,53 (49,73)	50,42
Total Trade ...	1,00,64	1,03,47	81,66	64,53	64,81	63,34	69,70	73,54	76,31 (71.51)	74,22

The figures for 1937-38 exclude excise duty on Mineral Oil from the record value of exports. For purposes of comparison, the excise duty on Mineral Oils has been deducted from the 1936-37 Import and Export totals and the comparative figures are shown in brackets.

The figures include the values of all private merchandise imported from foreign countries and India—and are the products of Burma exported to all countries. They do not include value of Treasure, Government stores, or of the foreign merchandise in the Coasting trade.

It will be seen that the trends of Indo-Burmese trade during the last decade have been, on the whole, different from the trends of Burmese trade with foreign countries. While imports from foreign countries have increased from Rs. 10.50 crores in 1931-32 to Rs. 10.85 crores in 1936-37 imports from India increased during the same period from Rs. 9.90 crores to 9.93 crores. But it may be noted at the same time 1937-38 shows a commendable increase in imports from India from 9.93 crores to Rs. 12.10 crores. In the case of exports, Burma's exports to foreign countries amounted in 1937-38 to Rs. 25.69 crores against Rs. 39.66 crores in 1926-27. Exports to India on the other hand, amounted in 1936-37 to Rs. 34.43 crores against Rs. 25.81 crores. In the case of India, the average of imports from India during the last quinquennium has come to Rs. 11.91 crores as against Rs. 25.81 crores in 1926-27. The corresponding figure for foreign countries is only Rs. 4.97 crores as against Rs. 39.66 crores in 1926-27. That the trade relations between India and Burma have improved more and more in favour of Burma during the last decade as against the unfavourable trend in the case of other countries will be best seen from the following table which gives Burma's balance of trade with India and with the rest of the world.

TABLE II

(Values in Lakhs of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Balance of Trade—										
With India ...	16,01	17,97	15,10	11,01	11,40	17,44	20,58	23,23	24,81	24,50
With all other countries ...	15,38	12,53	17,99	15,71	12,33	8,43	8,78	7,49	9,09	10,25
Total	31,39	30,50	33,09	26,72	23,73	25,87	29,36	30,72	33,90	34,75

It will be seen from the above that while the balance of trade with other countries declined from Rs. 15.38 crores in 1927-28 to Rs. 10.25 crores in 1936-37, the balance of trade with India more than doubled itself during the same period. Burma has thus come to depend a great deal on her trade with her neighbour over the Bay. The following tables give the distribution of the trade of Burma during the last ten years.

TABLE III

DISTRIBUTION OF THE TRADE OF BURMA

(Values in Lakhs of Rupees)

PARTICULARS	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
IMPORTS									
From India	14,03	13,78	11,01	9,90	8,77	8,42	9,65	8,95	9,98
From United Kingdom	9,28	8,86	6,73	4,28	4,38	3,91	4,49	4,74	4,18
From Dominions	35	35	38	20	17	15	8	9	10
From Colonial Empire	1,40	1,38	1,16	75	88	75	92	97	1,04
Total British Empire	25,01	26,87	19,28	15,13	14,20	13,23	15,14	14,75	15,20
From Foreign Countries ...	10,06	10,82	8,19	5,27	5,27	3,75	4,35	5,07	5,58
Total Imports	35,07	35,19	27,47	20,40	19,47	16,98	19,49	19,82	20,78

PARTICULARS	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
EXPORTS									
To India	32,00	28,88	22,02	21,30	26,21	29,01	32,88	33,76	34,48
To United Kingdom	5,87	6,06	5,01	3,58	3,68	4,06	4,74	5,70	6,10
To Dominions	74	72	62	38	32	48	40	43	59
To Colonial Empire	10,51	11,62	9,81	6,98	5,62	5,13	5,10	6,67	6,82
To British Empire	48,62	47,28	37,46	32,24	35,83	38,68	43,12	46,56	47,94
To Foreign Countries	16,95	21,00	16,73	11,89	9,51	7,67	7,09	7,16	7,58
Total Exports	65,57	68,28	54,19	44,13	45,34	46,35	50,21	53,72	55,53

TABLE IV

PERCENTAGE DISTRIBUTION OF BURMA'S TRADE

(Values in Lakhs of Rupees.)

Particulars	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Imports—									
From India ...	40	39	40	49	45	50	50	45	48
From United Kingdom ...	26	25	25	21	22	23	23	24	20
From Dominions ...	1	1	1	1	1	1	...	...	...
From Colonial Empire ...	4	4	4	4	5	4	5	6	5
From British Empire ...	71	69	70	75	73	78	78	74	73
From foreign Countries ...	29	31	30	25	27	22	22	26	27
Total Imports ...	1 00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Exports—									
To India ...	49	42	41	48	58	63	65	63	62
To United Kingdom	8	9	9	8	8	9	9	11	11
To Dominions ...	1	1	1	1	1	1	1	1	1
To Colonial Empire ...	16	17	18	16	12	11	10	12	12
To British Empire	74	69	69	73	79	83	86	87	86
To foreign Countries ...	26	31	31	27	21	17	14	13	14
Total Exports ...	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00

TABLE V

STATEMENT SHOWING THE VALUE OF THE INDO-BURMA TRADE

(Values in Lakhs of Rupees.)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
A.—Total Value of trade of Burma with all countries...	1,00,64	1,03,47	81,66	64,56	64,81	63,84	69,70	73,54	76,31
B.—Total Value of Indo-Burma trade	46,03	42,66	33,03	31,20	34,98	37,42	42,58	42,71	44,36
Percentage of B/A....	46	41	40	48	54	59	61	58	58

The distribution of Burma's export trade as amongst the various export staples, will be seen from the following tables.

TABLE VI

EXPORT TRADE

(In Rupees Lakhs)

		1936-37	
1.	Grain, Pulse and Flour	2222·7	(of which Paddy and Rice 2091·7)
2.	Mineral Oils	1734·5	
3.	Metals and Ores	512·9	
4.	Wood and Timber	378·1	
5.	Paraffin Wax	189·3	
6.	Raw Cotton ...	127·0	
7.	Fodder, Bran and Pollards ...	92·2	
8.	Rubber	69·9	
9.	Oil Cake	41·2	
10.	Fruits and Vegetables	30·1	

It will be seen that the first four items account for as much as 87 per cent. of the trade of Burma. So far as India is concerned, the most significant feature is that exports of rice and rice products from Burma to India have been constantly on the increase. And judging by the comments in the *Burma Trade Journal,* it would appear that Burma is banking a great deal on India devoting her attention to the sugarcane crop and that, considering the increase in the population of India, India should continue to offer a big market for Burmese rice. The principal articles of Burma's import trade and the value thereof are shown in the following.

TABLE VII

IMPORT TRADE OF BURMA

(In Rupees Lakhs)

		1936-37
1.	Cotton Goods	444
2.	Machinery and Millwork	140
3.	Metals	136
4.	Provisions	132
5.	Oils	130
6.	Jute	130
7.	Sugar	53
8.	Grains	53
9.	Fish...	50
10.	Coal and Coke	47
11.	Spices	47
12.	Fruits and Vegetables	46
13.	Hardware	45

Barring jute, the only Indian product for which Burma offers a large market is cotton piecegoods. And the following table shows the import into Burma of cotton piecegoods from her three principal sources of supply.

TABLE VIII

IMPORTS INTO BURMA OF COTTON PIECE-GOODS

(Quantities in Millions of Yards)

PARTICULARS	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Grey—								
India ...	9·8	8·1	20·2	15·8	20·8	20·5	18·3	21·3
United Kingdom ...	2·7	·9	·6	1·1	·6	·3	·3	·2
Japan ...	18·5	13·9	8·8	8·0	4·2	5·7	7·1	6·6
Other Countries ...	1·6	·9	·4	...	...	...	...	...
TOTAL ...	32·6	23·8	30·0	24·9	25·6	26·5	25·7	28·1

(Quantities in Millions of Yards)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
White—								
India ...	8·5	5·1	6·7	6·2	15·8	31·2	21·9	28·3
United Kingdom ...	34·8	17·0	13·6	24·0	18·6	18·7	21·5	16·3
Japan ...	5·6	10·9	21·2	24·3	12·1	2·1	6·4	4·4
Other Countries ...	5·0	4·3	2·0	2·2	·3	·3	·4	·4
TOTAL ...	48·9	37·3	43·5	56·7	46·8	52·3	50·2	50·4
Coloured, Printed or Dyed—								
India ...	18·7	12·1	22·4	24·6	37·9	45·0	30·4	33·8
United Kingdom ...	23·2	15·4	9·1	19·3	11·7	18·6	14·0	8·1
Japan ...	36·1	30·9	38.7	57·4	31·1	33·8	48·8	35·9
Other Countries ...	17·1	10·4	5·1	3·8	1·3	·8	·4	·4
TOTAL ...	90·1	68·8	75·3	105·1	82·0	98·2	93·6	78.2
GRAND TOTAL, PIECE GOODS ...	171·6	129·9	148·8	186·7	154·4	177·0	169·5	156·7

TABLE IX

IMPORTS INTO BURMA OF COTTON PIECE-GOODS

(Values in Lakhs)

PARTICULARS	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Grey—								
India	25·26	19·86	39·29	30·52	38·85	34·79	33·74	36·44
United Kingdon ...	6·94	1·72	·95	1·90	·91	·41	·37	·28
Japan	42·25	26·23	12·77	9·75	4·94	7·04	7·95	7·38
Other Countries ...	3·82	1·97	·75	·10	·01	...	...	·02
Total ...	78·27	49·78	53·76	42·27	44·71	42·24	42·06	44·12
White—								
India	11·78	15·61	18·39	16·27	30·05	58·52	46·31	53·64
United Kingdom ...	127·57	54·77	37·90	65·11	49·29	51·71	58·57	51·68
Japan	13·44	20·53	33·19	31·06	16·48	3·27	9·13	6·79
Other Countries ...	23·61	17·11	6·89	10·01	·81	1·23	1·92	1·65
Total ...	176·40	108·02	96·37	122·45	96·63	114·73	115·93	113·76
Coloured, Printed or Dyed—								
India	53·11	45·01	72·33	75·90	95·51	107·77	75·18	80·54
United Kingdom ...	105·21	64·46	32·29	66·38	38·33	60·21	45·26	24·53
Japan	80·59	61·02	70·08	84·19	45·31	52·54	75·77	64·08
Other Countries ...	77·12	41·27	15·60	11·57	1·93	1·68	1·12	1·03
Total ...	316·03	211·76	190·30	238·04	181·08	222·20	197·33	170·18
GRAND TOTAL, PIECE GOODS ...	570·70	396·56	340·43	402·76	322·42	379·17	355·32	328·06

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THE CENTRAL BUDGET

Public criticism of the Central Budget for 1938-39 is unusually handicapped, firstly because the elected members of the Assembly refused to discuss it, as a mark of protest against the exclusion of Defence and External Relations from the list of votable demands and secondly, the Central budget was deprived of much of its usual importance from the point of view of national reconstruction by the inauguration of provincial autonomy. It is, indeed, highly regrettable that the whole Finance Bill should pass into the Statute Book, merely on the strength of the Viceroy's power to certify and with the Legislature doing no more than walking in large majorities into the Opposition lobby. The constitutional issue which was raised in the present instance almost dwarfs the purely financial questions into insignificance. Sir James Grigg in his Defence of the new porcedure took his stand on the provisions of the Government of India Act, under which it is mandatary on the Government to exclude Defence and External Relations from the list of votable grants. And Mr. Bhulabhai Desai, the Leader of the Opposition, maintained that it was open to the Governor-General-in-Council to follow the old practice and include them in the list of votable demands. Apart from a strictly legal interpretation of the relevant clauses, it stands to reason that the cessation of the old practice must follow, and not precede, the establishment of a measure of responsible government at the Centre. To forestall the new constitution, in a manner in which all parties will combine to throw out the Finance Bill is not only indefensible but must also accentuate opposition to the Federation. It is extremely regrettable that at such a crucial stage of our national evolution the Finance Bill should come into force without the representatives of the people contributing anything to it, not even by way of criticism.

Another circumstance that tends to discourage criticism is that with the inauguration of provincial autonomy, the central budget tends to become a rigid federal budget with expenditure confined to the necessaries of defence and similar Central functions. Such surplus as is available is handed over to the Provinces, and the key to the prospects of national reconstruction no longer lies to the same extent in the Centre. The country must be prepared to see the central budget more or less stereotyped in the coming years. It is, no doubt, true that there are in the world many instances of a Federation in which the Federal Government has gained control of measures of popular amelioration. In the U. S. A., for instance, Mr. Roosevelt's budgets are of far more intimate interest to taxpayers and farmers than the budgets of the States. But India has a long way to go before the Federal Government will be in a position to distribute bounteous largesse to the Provinces and the States. The task of finding the resources necessary for accomplishing the huge tasks now before the Provincial Governments will rest predominantly on the Provinces themselves. During the initial stages, however, a readjustment of financial resources is inevitable. The Indian financial system was not meant to be of a federal kind. As a highly centralised system was impossible in such a vast country, changes had, no doubt, been made from time to time. But even at the close of the Montford Reforms, the system remained in essence a unitary one. Conditions, too, prevented the creation of a system of purely federal finance. There has, therefore to be a process of progressive devolution.

Indeed, this process is already afoot in the grant of a share of certain customs and excise duties to the Provinces and of a share in the income-tax consequent on the reemergence of the Railway contribution to General Revenues. Till this process is completed, the fortunes of the Central Budget will continue to be a matter of the widest popular interest. From this point of view though the results disclosed in the Budget statement are better than one could dare to hope a year ago, the general financial position revealed therein is not re-assuring. The year 1936-37 closed with a deficit of Rs. 1,77 lakhs and the only consolation is that it marks an improvement of Rs. 13 lakhs on the revised estimates for that year. The year 1937-38 shows in the revised estimates an improvement of Rs. 390 lakhs in revenue and, at the same time an increase of Rs. 322 lakhs in expenditure. The Revenue Reserve Fund is, therefore, drawn on only to the extent of Rs. 109 lakhs. But its final extinction has only been postponed by a year. The bulk of the increase in expenditure is on account of Defence, the revised estimates on this account being Rs. 260 lakhs in excess of the budget estimates ; and though during 1937-38, this increase is accounted for in large part by the cost of the Waziris-

tan operations amounting to Rs. 176 lakhs, the figures for 1937-38 also show an increase of Rs. 38 lakhs over tht budget figure for the year. We are not among those who would condemn every increase in army expenditure as such. In the present state of international affairs, it is inevitable that India, too, should strengthen her defences. But in considering the financial position as a whole, and the prospects of the Provinces getting more from the Central Exchequer for a good start in national reconstruction, it is significant that after utilizing the Revenue Reserve Fund, 1938-39 leaves no more than a surplus of Rs. 9 lakhs. While for the current year the Provinces get Rs. 138 lakhs as their share of the income-tax, the figure will be reduced in the budget year to Rs. 128 lakhs. The Finance Minister seeks to emphasise the fact that the Central Government has made a sacrifice of as much as Rs. 20 crores in the post-War period for the sake of the Provinces. But the successive increases in rate of taxation since the remission of the provincial contributions and particularly the emergency surcharges, which apparently have now come to stay, are overlooked. Taking the Central budget over a long period, its rigidity, except for a cut in army expenditure from the inordinately high level of the 'twenties, can hardly be denied.

The fact of the matter is that the last decade has been a period of radical changes in Indian finance. The Central Government has had to tide over a period in which, provincial contributions were remitted, customs revenue suffered a decline owing to protection and to changes in world trade, Railway contributions were not forthcoming and new burdens had to be taken on account of provincial autonomy. The task has been well-nigh accomplished, but only by the obvious expedient of stepping up the rates of taxation. It is idle to ask for tax relief when the need is for fresh taxes either as Provincial levies or as centrally collected revenues to be passed on to the Provinces. But the public is entitled to demand that public finance should be so administered that national wealth and new sources of taxation should be increased, and not dried up. The plight of the Provinces is such that they have to look to an admittedly risky measure such as duties on cheques or to the highly problematic contribution from the Railways. Both customs revenue and railway revenues are dependent on the uncertain chances of the revival reasserting itself. The present position shows that the importance of a financial policy as distinct from the year-to-year task of finding the revenue for preconceived expenditure has never been fully realised.

TRADE MARKS LEGISLATION IN INDIA

An item in the legislative programme of the Government of India is the enactment of a law relating to trade marks. This is certainly overdue and nearly two years back when a comprehensive article on the subject appeared in these columns the view was advanced that the Government of India should pay heed to the overwhelming volume of opinion favouring such legislation and the very unsatisfactroy state of affairs obtaining in India which as Sir Courtney Terrell pointed out has a parallel only in such remote corners of the globe as the Seychelles or Solomon Islands in a matter of vital concern to the commercial community. It is interesting to recall that as far back as 1870, the Government proposed to take steps and abandoned the idea as public opinion was not prepared for it. The issue was, however, kept alive by periodical representations from British interests who advocated the opening of a register for trade marks in India. Since the beginning of this century, commercial organizations who had evinced little interest in the matter found that neither the common law, nor the Indian Penal Code nor the Merchandise Marks Act offered enough protection. Many chambers of commerce followed the lead of the Millowners' Association in opening registers, but this does not guarantee the protection against infringment sought by manufacturers and merchants. The practice common since 1908, of making use of the Indian Registration Act to file declarations of ownership is as inadequate as a declaration with a Chamber of Commerce. In the last few years, commercial interests have become alive to the necessity for a separate Trade Marks Act and the Associated Chambers of Commerce in 1933 passed a resolution asking for a statute on the subject. The present Law Member, who has overhauled Company Law and Insurance Law in the country, is known to be keenly interested in putting such an essential reform through and last year the Government of India invited opinions on the subject. Opinions received were almost unanimous in favouring the passing of a law corresponding to the English Act of 1875 ; and though there are many claims on the Legislatures attention, it is necessary that this year should see further progress made in regard to this project. Manufacturing and trading concerns are definitely keen on getting adequate legislative protection instead of the vague and limited protection now available. Pirated designs have been a disagreeable concomitant of the intense competition of the present day in Indian markets and few firms have the money or turn to establish their due rights by protracted and expensive litigation.

Owing to the lack of statutory protection in India, India cannot participate in the benefits provided by the International Convention for the protection of Industrial Property and Indian inventors have no remedy in the event of the infringement abroad. The absence of a register prevents traders from making sure of their title to any new marks and voluntary declarations lodged with Chambers of Commerce or with sub-registrars of assurances can not in the nature of things be taken notice of by the courts. Further, success in an action for infringement does not afford protection against another party making use of the same and the right has to be established over again by bringing an action. There are admittedly serious effects and it must be submitted that the void in the Indian Patent Law constitutes a serious handicap to honest traders who have, acquired a reputation for the quality of their products on the strength of familiar mark and the customer too is exposed to the danger of having inferior goods palmed off on him under an identical or similar mark. Owners of well reputed marks have thus no protection in the existing state of law which offers inducement to the unscrupulous to violate commercial morality and usage. The inventor or manufacturer entering the market and trying to acquire a position by some familiar mark for his goods cannot secure the backing given by law to a trade mark as in British, where the Controller of Patents and Designs examines the register to see if there has been prior user and gives the benefit of statutory recognition if the new mark is original.

In foreign markets, as already stated, Indian manufacturers are placed at a disadvantage and are completely dependent on their agents for a registration for which the country of origin affords no facilities. In the case of importers also the absence of a statute works hardship. He cannot register a mark he has developed in his name and if he were to lose the agency, he forfeits the mark developed at great labour and expense.

It will, perhaps, surprise the public to learn that many current trade marks do not merit the description as they are common to the goods or the trade: the prevalence of un-

suitable marks is again a situation that can only be remedied by legislation. Industrial development in the country is proceeding apace and the growth of internal trade in popular centres demands the immediate rectification of the disorganized state of affairs relating to trade marks. Retail distributors may be expected to show greater progress, but traders cannot wait indefinitely till the law is brought up-to-date in relation to business practice.

The Commerce Department is known to be interested in the matter and the Finance Department through the Customs Department must have been made aware of the very unsatisfactory condition at present. A new law would help the trade to a great extent. It would secure the publication of marks which have been appropriated as Trade Marks, define the rights of proprietors for the information of traders and limit the classes of marks which are capable of being appropriated. It is obvious that in this matter the best guide to follow is Britain, where the system of registration obtaining since the Act of 1875, is purely voluntary and does not supersede the rights accruing under Common Law on account of prior use. Under such a statute, marks and trade marks would be carefully defined and distinguished. The Patent Office will be entrusted with the duty of maintaining a register; and interested parties would be in a position to examine the Register and provision would be made for the issue of certified copies of any entries therein. As all entries would be subject to expert scrutiny, prior to registration, there will be no occasion for dispute and their validity would be admitted in all parts of the country. A central office in charge of the subject, say, at Calcutta, would enable the Act to be put into application effectively and it was stated last year that marks would be fully safeguarded. It is noteworthy that the new law will acord complete protection to owners of any special distinction, word or words, letter, number or numbers used by an applicant or his predecessors before the Act comes into place and which is continued to be used as there will be no question of their eligibility for registration. The Law will define the powers of the Registrar, fix the scale of fees and will define and prescribe the penalty for offences. It will fill up what is a serious gap in our commercial law and the country which got the Sale of goods Act and an improved Partnership Act during the term of Sir B. L. Mitter will rejoice that his successor who has given a reformed Company Law will deserve the gratitude of trade and industry.

The procedure devised will be simple and effective. The machinery is ready, and the law will soon guarantee titles to trade marks properly authenticated and there will be a general feeling of relief, combined, for sometime, with astonishment at how long the country has managed to stand out of the stream of industrial, commercial and technical progress for the lack of a modern, intelligent statement of the law.

THE RAILWAY BUDGET

Beyond inducing an initial sense of relief at the emergence of a surplus, the Railway Budget for 1938-39 can do little to allay the public disquiet about the position and prospects of the Railways. And even that sense of relief is qualified by the fact that the public has, for some time, been expecting this result on the strength of the improvement in trade activity and in railway earnings in the first seven months of the year 1937-38. It can hardly be gainsaid that the present is the fittest moment for taking stock of the whole position and laying down a policy which takes account of all the relevant considerations. Two or three years ago, the Railway administration could very well have contended that they had been caught suddenly and unawares by the cumulative effect of a world depression and a fiscal policy at home which whatever its other merits, could conceivably have had its adverse effects on railway traffic. The deficits of that period were such a striking contrast to the surpluses of the pre-depression years that it could not have been easy to devise a policy which would make the financial position of the Railways sound and at the same time, involve no crushing handicaps on trade and industry.

To-day the position is quite different, and a perusal of the speech of the Railway Member is hardly convincing that the differences have been fully appreciated. It is nearly a decade since the Railways showed a considerable surplus; and according to economic theory a decade should generally see the completion of a full trade cycle. As a matter of fact, too, the last eight, nine years have seen the full round of cyclical fluctuations. It may be an open question still whether the recession, which set in the middle of last year, is a temporary one or whether it is the beginning of another slump. But it is certain that if there should be another instalment of the revival, it has no long course to run. At any rate, no administration would be wise to bank on the early resumption of the revival or would have any excuse for not treating the period between 1930 and 1937 as marking a full trade cycle and drawing the lessons which the experiences of that period have to offer. If it is true that the revival which started in 1932 virtually came to an end by the middle of 1937 then it is a matter of the highest significance that this revival had no more than a surplus of Rs. 2.83 crores to give to the Railways and that, too, as a kind of posthumous gift. The greater part of the revival had spent itself without any appreciable effect on railway finances. If we confine our attention to the actuals, the year 1936-37 realised a surplus of Rs. 1.21 crores which was paid to the Depreciation Fund in fractional repayment of the incomparably larger sum borrowed therefrom to meet the deficits of the earlier period. So far as the General revenues are concerned, the contribution of Rs. 2.83 crores provided for in the revised estimates for 1937-38 is the first sign after 1930-31 of an yield from the colossal investments on the Railways. Leaving the general budget aside, the only effect of the last revival—strictly speaking, it ought to be called a boom in contrast to the depression—was only to reduce the deficit, which stood at Rs. 10.23 crores in 1932-33, to Rs. 3.99 crores in 1935-36, while the great depression had turned a surplus which stood at Rs. 13.16 crores in 1924-25 into a deficit of Rs. 10.23 crores in 1932-33. As for the present recession which started in the middle of 1937, the improvement in railway earnings in 1937-38 as compared with the previous year which stood at Rs. 3.86 crores in November 20, last has come down by January 20, to Rs. 2.92 crores.

During the depression, the Railways could preserve financial soundness by forgoing the affluence of the earlier period. Firstly, the contribution to the general revenues which might be estimated at Rs. 6 crores a year was discontinued; and before this the transfer to the Railway Reserve Fund which was in the vicinity of Rs 3 crores had to be given up. The deficits which accrued even thereafter were met by borrowing from the Depreciation Fund. All these indicate the margin which could be shorn off without affecting seriously the position of the Railways. The Budget which was presented in February by Sir Thomas Stewart gives no indication of a similar margin of safety. Total traffic receipts for 1937-38 are estimated at Rs. 94¼ crores against Rs. 91¾ crores in 1936-37 and the original estimate of Rs. 90¾ crores. Working expenses including depreciation are expected to show an increase of Rs. 1 1/3 crores over last year and of Rs. ¾ crore as compared with the budget estimates. As for 1938-39, traffic earnings have been put with almost forced optimism at the same level as the revised

estimates for the current year and an increase of Rs. ½ crore in working expenses is considered inevitable. With interest charges at Rs. 29¼ crores, the Railway Member looks for a surplus of Rs. 2½ crores.

The estimate of Rs. 94¼ crores of traffic earnings rests largely on the assumption that a part of the goods traffic, for instance, in cotton had been held back 1937-38 to be carried over to the next. There is also the presumption that trade activity will be maintained at the level of 1937-38. If, on the other hand, the recession should continue and deepen, there will not only be no surplus but there might even be a deficit. In so far as the surplus is not reserve but only a contribution to the General Exchequer and indirectly to the Provinces, it is not strictly germane to the financial soundness of the Railways. The attitude in which the Railways are regarded as a source of revenue or as a form of veiled taxation of trade and industry may now be abandoned, if only because we have had years of severe disappointment and even the relief now in sight is inconsiderable and may perhaps prove short-lived. But even if we were to regard the Railways as a commercial enterprise, it would be fair to insist that a test of soundness is a fair measure of prosperity during a boom with inevitably some deficits during a depression. That there has been no balancing even over the period of a full trade cycle is a matter for disquiet.

It would be unfair and futile to fasten the blame for such a position either on the Railway Administrations or on any single factor. While the volume of traffic has gone down under pressure of the changing conditions of international trade and of the adoption of the protectionist policy, working expenses and interest charges are altogether intractable. Such scope as there may still be for retrenchment would hardly help the Railways to regain any measure of prosperity. The Railways cannot be expected to do better till the volume of internal trade activity grows up to the full capacity of their vast equipment. While the expansion of capital programme went ahead by giant strides in the 'twenties, there has been no attempt to stimulate internal trade. The Railways cannot yet claim to have created a structure of rates which is capable of stimulating traffic instead of taking a toll on the minimum which passes. The budget for 1938-39 and the revised estimates for the current year only show that, depression or boom, the future of the Railways depends upon the formulation of an economic policy which will increase production, speed up the movement of goods traffic and create alround prosperity.

While such a policy is not in the hands of the Railway administration, it is legitimate to demand that the drive for economy in working expenses, suitable revision of rates and the development of goods and passenger traffic by the adoption of more and more efficient provision of service for the public should be pursued without any relaxation. It may be mentioned in this context that the Railways have so far only touched the fringe of the problem of increasing passenger traffic. In discussions on tourist traffic, it is often forgotten that India is a huge sub-continent in which even the movements of tourists from one province to another could be made a source of considerable revenue to the Railways. The experience of the last few years has shown that the public is responsive to better facilities of travel; and if the Railways could go one step further and try to create places of interest instead of merely exploiting the religious instinct, the results would be very gratifying. The creation of week-end resorts for the population of big cities and middle class population for going out on week-ends are bound to effect a wholesome change on all concerned.

PROVINCIAL BUDGETS

THE BENGAL BUDGET

The second Budget presented by the Hon. Mr. N. R. Sarker in the Bengal Legislative Assembly bore out in ample measure the anticipations of Bengal's financial future held out in these columns nearly a year back. With the iniquities of the Meston settlement now happily got rid of by the cancellation of Bengal's debt to the Centre, the social services which had been starved for years now got their chance and the province is afforded a chance to work out its economic and social destinies. Mr. Sarker is the only Finance Minister to-day who can claim to be ready to provide funds for every sound scheme of popular uplift. The appropriation of nearly a crore for such expenditure in the coming year is sufficient evidence that the Finance Minister has not been slow to translate the blessings of the Centre into public expenditure for the regeneration of the province. But we doubt whether it is not too soon to ring in a deficit, however small, when the province has only recently turned its back on huge deficits. The budgetted deficit is only Rs. 11 lakhs; and we are not of those who attach any value to a nominal surplus. While we are glad that Mr. Sarker has scorned the cheap credit of producing a surplus budget, we could have preferred a small surplus if only as a margin of safety. The Finance Minister is, perhaps, banking on the inability of the Departments to spend up to the full appropriation.

Coming to the three years, covered in a budget statement, 1936-37 closed with neither a surplus nor a deficit. Indeed, it is not in the interest of the province to have either—a deficit which would have meant starting with a debt and a surplus would have gone to the Centre in cancellation of old debts. The current year's revised estimates reflect in large part the progress of recovery, especially in the first half of the year, and are well above the estimates framed before. Such improvement in the general position as is visible is due largely to the jute export duty and income-tax heads, which together have brought in nearly Rs. 60 lakhs more than expected. Thanks to the prosperity that has visited railway earnings this year, nearly Rs. 22½ lakhs have come in to swell the coffers more or less as a windfall. It is hardly necessary to remind readers that during the first five years of the constitution, the amount of income-tax receipts assignable to the provinces depends not merely on the income-tax receipts but on railway earnings. In fact, if in the last few months, the recession in trade had not come about, Rs. 40 lakhs would have fallen to Bengal's lot by way of income-tax. The same applies to the receipts from the jute export duty, where better figures would have been seen, if jute exports had not fallen off considerably, owing to the recession in all parts of the world. These emphasize the connection, not to say the dependence, of the provincial finances on the outlook of world economy and in view of the present slackening in the recovery movement has suffered, it is undoubtedly significant. 1937-38 started with an opening balance of Rs. 106 lakhs as against the original estimate of Rs 98 lakhs and is expected to close with Rs. 191 lakhs, which means an improvement of nearly Rs. 53 lakhs over the original estimate. Of this amount, Rs. 8 lakhs represents the increase in the amount given by the Government of India as opening balance, while Rs. 88 lakhs is contributed by enhanced revenue receipts, and Rs. 14 lakhs is derived from cuts in expenditure on revenue account. As against this, there has occurred a decrease of nearly Rs. 57 lakhs in the balances under Capital Debt Deposit accounts, so that on balance, the improvement is Rs. 53 lakhs as mentioned above. The increase in revenue receipts is certainly encouraging and comes from improved receipts in jute export duty (Rs. 33½ lakhs), Income-tax (Rs. 27½ lakhs), excise (Rs. 17 lakhs) and land revenue (Rs. 12 lakhs). A word of explanation is necessary to understand the deficit in the section of the budget outside revenue account. The new banking arrangements demand that Rs. 25 lakhs should be kept with the Reserve Bank as a minimum balance but Bengal's balances have been much higher and have therefore been invested with profit in Treasury Bills to the tune of Rs. 70 lakhs ; these bills will not mature until next July, so that the deficit in the Cash Balance Investment Account may be held to be temporary. The revised estimate of the closing balance of Rs. 191 lakhs leaves, apart from unspent balances in connection with development funds and the Reserve Bank balances and the like, nearly Rs. 114 lakhs for general purposes.

Turning to the coming year, total revenue in 1938-39 is put at Rs. 13 crores 13 lakhs, and that is nearly Rs. 30 lakhs below the revised estimates for the current year. The real decrease happens to be greater still, since owing to the change in accounting procedure in regard to the crediting of the interest in irrigation capital outlay a sum of Rs. 22½ lakhs would go to the other side of the budget and swell the decrease. That the Finance Minister has been anxious to make full allowance for the depression in the world's markets will be obvious from the fact that he expects a fall of no less than Rs. 63 lakhs in the main heads of revenue of which the fall in jute export duty and income-tax receipts are expected to amount to Rs. 19 lakhs. Under land revenue, a drop of Rs. 13 lakhs is anticipated, not because of actual deterioration in the receipts but because there are few arrears remaining for collection in the coming years. A decline of Rs. 4 lakhs in Excise may well occur, especially if, as is rumoured, prohibition is introduced in specified areas. "Taxes and Duties" may decrease by Rs. 19 lakhs since the taxation measures expire on various dates in the coming year and the revenue from this source cannot be assumed unless those measures are again passed.

The bull's eye feature of the present budget is the expenditure side. Total expenditure for the coming year is placed at Rs. 13¼ crores which is nearly Rs. 1¼ crores more than the revised estimates for the current year. Of this, Rs. ¼ crore has already been referred to as being caused by the change in the crediting of the interest on the Irrigation capital outlay. The balance, i.e., Re. 1 crore would represent expenditure on new schemes, which are, as a matter of fact, the cardinal feature of Mr. Sarker's budget. It is a matter for gratification that the presentiments of a fall of nearly Rs. 52½ lakhs in revenue receipts in the coming year has not indeed prevented the placing of a policy of rural uplift and economic reconstruction of the average cultivator in the forefront of the programme. The Finance Minister deserves to be congratulated on the courage of his convictions that the budget should be viewed against a 'human background' as he put it and in fact the Budget statement deals elaborately with the government's proposals in respect of debt settlement, rural credit and education and provided the departments concerned prosecute the Finance Minister's aims with the earnestness they deserve, much leeway can be made up and Bengal would really have the credit of moving in line with her sister provinces in reforms. The following table shows the major heads under which budget estimates for 1938-39 show an increase over the Revised estimates of the previous year.

(Figures are in thousands)

	Revised 1937-38	Budget 1938-39	Increase
	Rs.	Rs.	Rs.
Forest ..	15,44	17,16	1,72
Irrigation ...	13,62	20,86	7,24
Debt Conciliation	12,48	24,63	12,15
Police ...	2,24,48	2,25,55	1,07
Education-General	1,26,06	1,42,66	16,60
Medical ...	52,56	58,92	6,36
Public Health ...	32,79	46,71	13,92
Agriculture ...	11,59	16,27	4,68
Co-operation ...	12,35	14,74	2,39
Industries ...	16,18	20,64	4,46
Civil Works ...	1,25,30	1,46,75	21,45
Superannuation allowances and pensions ...	92,65	95,83	3,18
Commutation of pensions ...	9,06	11,00	1,94

The financial results of 1938-39 in so far as they can be gauged now would appear to be that the deficit of Rs. 11 lakhs forecast for the year will cut into the opening balance, which will then stand at Re. 1 crore and 80 lakhs. Even that is not a free balance either, and cannot form an index of the strength of the province for fresh expenditure. The reasons are that though the opening balance of Rs. 175 lakhs will, when reinforced by the value of securities and investments amount to Rs. 280 lakhs, more than half of it is already earmarked on such accounts as minimum Reserve Bank and Treasury balances, Debt and Deposit sections of the budget, Famine Relief Fund and so on. All these total Rs. 127 lakhs and though forming part of the opening balance should not strictly be taken into consideration in assessing the province's capacity for expenditure. And again, as the Finance Minister expected that nearly Rs. 50 lakhs would be required for completing the schemes he intends to start, just a crore and 20 lakhs will be left for the province to fall back upon in times of stress when the national revenues deteriorate. A scrutiny of the figures supplied in the Budget statement concerning the variations of the province's revenues reveals the highly significant fact that the range of oscillations in the revenues is about Rs. 4 crores. Considering that the present revenue position is midway, it is permissible to assume that in the event of an economic blizzard, the revenues would fall by about Rs. 2 crores. The need for conserving the opening balances

with the highest care should be obvious especially as that contingency is, on the present run of conditions all over the world, not by any means distant. Whether Mr. Sarker's estimates for the coming year will not be unduly falsified by subsequent facts is more than anyone can say with certainty. It may well be that his estimate of the fall in revenue receipts would prove to be wide of the mark. In such a case, his expenditure of a crore on national development may come in for much criticism later. For our part, we prefer to believe that there are forces against such a development especially as the expenditure on development accounts might be more than compensated by enhanced purchasing power of the masses which is sure to be reflected in increased tax earnings. It is therefore incumbent on the government to be on the lookout for fresh sources of revenue by increasing the wealth of the province. The budget statement really conveys the idea that the Finance Minister is alive to all values, not excluding nation-building services. The next year will show to what extent his estimates have been grounded in realism and to what extent his optimism has been rewarded.

Bombay

The Bombay Budget merits considerable attention. A small deficit was anticipated in the coming year and as receipts are expected to total Rs. 1209.03 lakhs and outgo Rs. 1248.84 lakhs and no new taxation is contemplated in the direction of stepping up rates in respect of electricity and the stamp duty on share transfers. The first item has not provoked any adverse comment and the second affected only brokers. The budgetary position is summarised in the subjoined extracts taken from the memorandum.

"The deficit of Rs. 40.81 lakhs is due purely to non-recurrent expenditure on new items included in the budget", says the introductory note in the budget. It adds this expenditure will be met from the opening balance for next year. There will be no borrowing except Treasury Bills to be repaid during the year.

As regards new taxation in 1938-39, the memorandum says "The budget estimates have been framed on the assumption that the Bombay Finance Act of 1932, which is now in force, and the Bombay District Tobacco Act of 1933, will be continued. These Acts expire on the 31st March 1938, and the necessary Bills for continuing them will be placed before the Legislature in due course.

The following extracts from Mr. Lathe's speech set out in detail the revenue, expenditure and debt position of the Provincial Government in a clear manner.

The transactions of the next year are estimated to be as follows:—

		Lakhs of Rupees.
Revenue Receipts	...	1,209.03
Revenue Expenditure	...	1,249.84
Revenue Deficit	...	40.81
Debt Head Receipts	...	3,691.38
Capital and Debt Head Disbursements	...	3,693.23
Capital and Debt Head Deficit ...	...	1.85
Closing Balance	...	72.01

In comparison with the revised estimates of the current year the important changes included in next year's estimates are the following:—

RECEIPTS:—

Land Revenue, . . . plus 21 lakhs of rupees due to expectation of a normal season.

Excise . . . minus 26 lakhs of rupees due to prohibition policy.

Stamps, . . . minus 7½ lakhs of rupees current year's receipts included some windfalls not expected next year.

EXPENDITURE:—

Other revenue expenditure, . . . plus 10½ lakhs of rupees additional provision for minor irrigation works.

Education, . . . plus 22½ lakhs of rupees mainly for new educational schemes.

Civil Works, . . . minus 12 lakhs of rupees mainly due to absence of provision of scarcity works and reduced debit of establishment, etc., charges on prorata distribution.

Mr. Lathe claimed that enlarged expenditure on the nation-building departments did not have its full effect on the total relating to expenditure and certain reductions in expenditure are mentioned in the Budget.

The principal reductions in expenditure in the next year's budget consist of cuts in allowances (Rs. 2 lakhs) in contingencies (Rs. 3 lakhs) and in grants to Local Bodies

(Rs. 10 lakhs). The last cut is effected by reducing the grant of Tobacco Revenue in the Bombay City to the Corporation by 5 out of 16 lakhs and by cuts in certain other grants to other Local Bodies to the tune of another 5 lakhs. The first of these cuts in the grant to the Corporation of Bombay is justified on the ground that the original grant was intended to enable that body to meet the deficit in the Bombay Improvement Trust Budget. In view of the rapid improvement in the Improvement Trust finances, Government consider themselves justified in progressively abolishing the grant-in-aid.

"In the case of the other cuts they are in most cases small and the Government have been spending such large amounts for purposes like rural water-supply, medical aid, village-roads and primary education which form the most important parts of their duties as would make it impossible for any one to accuse them of any desire to be parsimonious with the Local Bodies. But in spite of all efforts, we find that some of the Local Bodies have been too negligent in respect of the development of their revenues and Government think that they must put such pressure as they can on those of them who fail in their duty to take advantage of their taxation powers to a reasonable extent. No local body can be said to be discharging its duty properly if it is afraid of raising enough revenue in legitimate ways.

If revenue and expenditure are not balanced, the Minister considers that it is partly due to the debt position of the Province which he dealt with in detail.

"The heavy responsibility on account of debts involves us in a loss of Rs. 90.63 lakhs every year, and this loss amounts to about 7½ per cent. of our total revenues. This debt liability outstanding on 1st April 1938 will be Rs. 2,221 lakhs with an average interest of 4½ per cent. I have not included the short term Bombay Municipal debt in this figure, but it must be observed that this consolidated debt includes Rs. 406 lakhs long dated loans due from the Bombay Municipal Corporation. We also owe Rs. 486 lakhs on account of deposits such as the provident funds deposit.

"The net provincial debt therefore comes to Rs. 2,301 lakhs. On this we have to pay Rs. 100.68 lakhs as interest next year with an additional Rs. 12.32 lakhs as an equated payment of the principal. The total payment we have to make on account of our debt charges is therefore Rs. 113 lakhs exclusive of interest on Treasury Bills. The receipts from the departments on which these loans have been invested amount to Rs. 22.37 lakhs only, and therefore obviously we have to bear an annual net loss of Rs. 90.63 lakhs on account of our heavy indebtedness.

"The debt consists of loans which, on 1st April, 1937, amounted to Rs. 7½ crores for Bombay Development, Rs. 4.62 crores for irrigation works, and Rs. 4.80 crores for various buildings, bridges and works of that kind and another Rs. 1.47 crores taken for financing the Provincial Loans and Advance Account. The third item necessarily brings no return in money. The irrigation works give us about Rs. 17 lakhs after deducting the necessary maintenance and establishment expenditure. The net receipts from the Bombay Development works are expected to amount to Rs. 86 thousand only during the next year.

Frontier Province

In the North-West frontier Province there was a revenue deficit of Rs. 6.63 lakhs according to the budget statement. Total revenue was estimated at Rs. 180.05 lakhs and the expenditure placed at Rs. 186.68 lakhs is in excess of revenue. Revenue had not grown to the same extent as expenditure which kept rising from year to year owing to normal increase and the call for new beneficent activities. The only gratifying feature was that the balance available has been strengthened as a result of accretion to the funds in respect of 1936-37, the actuals surpassing the revised estimates owing to savings effected and a rise in revenue, while the balance was further raised by the receipt of a credit of Rs. 9 lakhs from the Centre on the decentralisation of balances and deficits.

Madras.

The budgets presented by the Finance Ministers in India as well as Burma have an individual character but they are informed by the same spirit and subordinated to a common aim. Judged by former standards, they reveal an essential continuity in financial policy and procedure and greater concern with questions of mass welfare. The Madras Budget is a good example. The Revised Estimates for 1937-38 showed a small surplus of Rs. 2,69 lakhs. Thanks to an excess of subscriptions for the last loan, the closing balance is higher at Rs. 10 lakhs as against Rs. 65 lakhs estimated in the last budget. There is no new taxation but from July 1, the registration fees were to be raised to the scale prevailing in Bengal and Bombay. The revised

estimates for 1937-38 revealed that recovery in revenue is still assisting Government as is shown by the comparative table below:—

	Budget Estimates Lakhs.	Revised Estimates Lakhs.	Increase Lakhs.
	Rs.	Rs.	Rs.
Revenue ...	15,91.80	16,13.04	21.24
Expenditure on revenue account ...	15,91.74	16,10.35	18.61
Surplus ...	.06	2.09	....

It is in regard to the coming year that the Budget Estimates displayed a spirit of hopefulness tempered by the caution characteristic of the Premier. Revenue anticipated next year is Rs. 15,98.21 lakhs and is less than the Revised Estimate for the current year by about Rs. 15 lakhs. The fall is mainly due to the smaller income-tax assignment anticipated for next year; to the reduction of rates of grazing fees in Government forests by fifty per cent. with effect from 1st April, 1938; and to the contemplated extension from 1st October of prohibition to two districts close to the Salem district where it was introduced last October. The reduction of grazing fees and extension of prohibition involves a loss of about Rs. 11 lakhs next year and Rs. 19 lakhs in future years.

Allowance has also been made for land revenue concessions involving a loss of over Rs. 73 lakhs.

Expenditure on Revenue Account is estimated at Rs. 15,98.09 lakhs leaving a small surplus of about Rs. 12,500. Retrenchment under hill journey charges, release of prisoners before their time, recent revision of pay of Government servants and the replacement of salaried medical officers by honorary officers in Government institutions account for a saving of about Rs. 1½ lakhs, while the abolition of re-settlement has resulted in a saving in expenditure by about Rs. 3½ lakhs. Provision has been made for new expenditure involving an annual cost of about Rs. 5½ lakhs and a non-recurring expenditure ultimately of Rs. 36 lakhs, the provision made next year under both heads together being about Rs. 18 lakhs; Rs. 16½ lakhs out of this are for development services, such as the teaching of Hindustani in secondary schools; the development of hands-spinning and khadi manufacture; water-supply and drainage schemes both urban and rural; antimalarial measures and measures for control and introduction of cancer treatment in several hospitals; ameliorative measures for the depressed classes; experiments on fruit culture and nurseries, and expansion of the veterinary department etc.

Large increases as compared with 1936-37 occur under Education, Rs. 5¼ lakhs; Medical Relief, Rs. 5 lakhs; Public Health, Rs. 20 lakhs; Scheduled classes, Rs. 2¼ lakhs; and Agriculture, Veterinary and Co-operative Credit, Rs. 4 lakhs. This has been done in spite of the sacrifice of a considerable amount of revenue in 1938-39 as compared with 1936-37, *viz.*, Rs. 34 lakhs Excise revenue, Rs. 18 lakhs Land revenue and Rs. 3 lakhs Forest revenue, or Rs. 55 lakhs in all.

Sind.

The Sind Budget revealed a small surplus, no inconsiderable achievement. The Estimates for 1938-39 presented on February 26 to the Legislative Assembly show that under revenue heads receipts will amount to Rs. 306.67 lakhs while expenditure will amount to Rs. 359.12 lakhs. As expenditure had to be cut down to the minimum it is not surprising that the sum provided for new schemes of popular welfare was as small as Rs. 1.32 lakhs. As is well-known, the new province has begun its career with a rather heavy debt burden and the following extract from the memorandum is interesting.

As regards the debt position, Sind's debt to the Central Government on April 1, 1937, stood at a total figure of Rs. 2,927 lakhs and this will according to the present estimates be reduced by March 31, 1938 to Rs. 2,907 lakhs

Certain sources or provincial revenue would come to an end on March 31, 1938, and in order to provide for their continuance, legislation will be brought before the Assembly in the budget session. The stamp duties, court fees and the electricity duty will be the subject of a Finance Bill and the tobacco duty the subject of a separate Tobacco Taxation Bill. Their estimated return has been included in the present budget.

Central Provinces

In the Central Provinces, the Budget shows a technical surplus, the total expenditure estimated being Rs. 481.18 lakhs as against revenue receipts of Rs. 481.94 lakhs. The Minister complained that inelastic and inadequate revenue retarded the advance of the provinces, and beneficial outlay for a population of 16 millions was seriously checked by the lack of funds. The financial position was thus not one to cause satisfaction but Mr. Mehta addressed a warning

to the impatient supporters of the Government who wanted to make common cause with its opponents. An announcement regarding the prohibition experiment in selected areas including three industrial towns was made.

The revised estimates for 1937-38 show a deficit of Rs. 3.16 lakhs instead of a small surplus of Rs. 77,000 which was anticipated, due to an adverse seasonal fall of Rs. 10 lakhs under the head "Land Revenue." Excise revenue estimates for 1938-39 allowed a loss of Rs 6 lakhs, owing to extension of the prohibition policy.

Dealing with new expenditure, Mr. Mehta said that out of a total amount of Rs. 24.35 lakhs, Rs. 10.10 lakhs represented the usual commitments, Rs. 7.54 lakhs for the usual expansion of departmental activities and Rs. 6.71 for economic development and improvement of rural areas which they proposed to undertake in fulfilment of the intention to set apart a part of the revenue from liquor for rural welfare.

Alluding to the special rural reconstruction schemes, the Finance Minister stated that the budget provided Rs. 2 lakhs for improvement of rural communications, Rs. 1 lakh for water supply, in addition to Rs. 4 lakhs from the Government of India grant, Rs. 24,000 for agricultural demonstrations, Rs. 22,000 for the encouragement of *khadi*, Rs. 70,000 for the extension of medical relief, and Rs. 26,000 for creating 50 rural uplift centres, besides Rs. 25,000 for the industrial survey of the province.

Referring to the economy effected, he said that the total saving in 1937-38 and 1938-39 amounted to Rs. 9½ lakhs, besides Rs. 3 lakhs, resulting from measures taken on the recommendations of the retrenchment committee, and it was possible that further economies would yield some lakhs of rupees.

The Minister added that they were resorting to fresh taxation only for the purpose of financing the schemes of development, and claimed that the burden of taxes they had selected would fall on the shoulders of those capable of bearing it. He detailed the land revenue and forest concessions given to the peasantry, and said that the remission of 12½ per cent. in rents to small holders in the province would benefit nearly half the agricultural population, costing Rs. 4½ lakhs to the Exchequer. Agricultural debt relief measures were, he said, under consideration.

U. P.

A small deficit is also anticipated in the U. P. The budget statement shows a deficit for 1936-37 of Rs. 37 lakhs, a deficit of Rs. 7½ lakhs for 1937-38 and an estimated deficit of Rs. 15 lakhs for 1938-39. The Premier declared that the figure of Rs. 15 lakhs was not formidable and in any case, it made a better showing that the last five years when the deficits averaged Rs. 32 lakhs a year.

He proposed to spend Rs. 1.10 crores on rural and nation-building schemes, and this large amount has been made available by the ingenuity of the Premier and of his financial staff. The economy campaign has yielded more than Rs. 20 lakhs by way of reduction in expenditure.

Compared with the Budget for 1937--38 revenue expenditure has increased by Rs. 70 lakhs and the revenue has increased by 62 lakhs. Of the former, new expenditure amounts to Rs. 50 lakhs of which Rs. 6 lakhs is recurring and the rest non-recurring. Similarly on the revenue side only Rs. 26 lakhs out of Rs. 62 lakhs is a permanent improvement, of which Rs. 10 lakhs depends on the passinf of the Stamp and Court Fees Amendment Bills, pending before the Legislature.

A sum of Rs. 50,000 is provided as a recurring charge for military and physical training It is expected that the help of the military authorities will be sought in the first instance to prepare a scheme for the purpose. Another Rs. 50,000 is set apart as recurring expenditure for the promotion of education among the depressed classes and Rs. 30,000 has been reserved for water supply to these classes.

Prohibition has been launched in two districts at a cost of Rs. 15 lakhs to the revenues. In the programme of nation building expenditure of Rs. 110 lakhs. Rs. 35 lakhs is provided for a special rural uplift scheme. This amount is to be utilized for advances for the purchase of seeds, fertilizers and implements to cultivators and for the purchase of raw materials for the cottage industry and of seeds. Seven lakhs would be the recurring cost of the administrative agency for this agricultural scheme. Five hundred seed stores are to be set up as also a marketing organization. A sum of Rs. 1½ lakhs is provided for awarding ten rupees a year to 1,500 *kamdars* who will conduct demonstrations.

There is a provision of Rs. 10 lakhs for the education of the masses under the Wardha scheme. Four lakhs is to be spent on medical relief in rural areas. Most of it is to be used for organizing 200 rural dispensaries on indigenous lines and in subsidizing *vaids* and *hakims*. Four lakhs is to be spent on cattle welfare.

Three lakhs of rupees will finance water

supply schemes, and Rs. 16 lakhs will go to be spent on giving a push to the co-operative movement. Of this Rs. 25,000 is allotted to the Central Co-operative Union for marketing purposes and Rs. 75,000 will constitute a nucleus to help the promoters of rural credit facilities. One lakh is to be spent on improving the conditions of the tenants of Government estates so as to give a lead to the zamindars.

Experiments in improved methods of *gur* manufacture having proved successful, one lakh is to be spent next year for this purpose.

Burma.

Considerable interest continues to attach to the financial experiences of Burma even after separation and a summary of the budgetary position will not be out of place here. The first budget since separation took place was by all indications creditable. Burma's fiscal system, it is intended, should place all customs duties more or less on the same scale and footing as the Indian, and the new taxation proposed is largely inspired by this aim. In regard to the coming year, the Minister estimated a surplus of Rs. 38.54 lakhs. In spite of the new items of taxation, the Ministry claimed that it marks the beginning of a new period and the Premier hoped to produce 'a complete people's budget in the near future.'

The Burma Government's surplus, it is proper to state, is not the result of any great changes in revenue or expenditure. The surplus is made up of new taxation proposals as well as receipts from a State lottery which are expected to yield in all Rs. 15 lakhs, and the continuance of certain taxes and duties which it is expected will bring in Rs. 15½ lakhs. The estimated revenue receipts are Rs. 15,80,83,000 and estimated expenditure Rs. 15,42,29,000, leaving a surplus of Rs. 38,34,000.

The new taxation proposals are an increased duty on petrol by one anna per gallon, which it is estimated will yield Rs. 4½ lakhs, an additional duty on foreign salt of 15 per cent. of excise duty forecast to bring in Rs. 2¼ lakhs, while the State lottery it is hoped will amount to Rs. 8 lakhs. It is proposed to continue the existing rate of Customs duty on sugar until March 31, 1946, as the Government are not yet aware what the Government of India's proposals would be in that connexion.

The Finance Minister informed the House that opportunity had been taken to impose revenue duty of 25 per cent. *ad valorem* on wheat flour in place of the protective duty of Re. 1 per cwt. which lapsed on March 31, 1937. Opportunity has also been taken of amending the method of imposing Customs duty on lead pencils in order to prevent evasion of duty by import of lead pencils of inordinate length. These proposals, however, would not increase revenue to any appreciable extent.

In order to prevent forestalling and to minimize dislocation of the market it had been decided that charges affecting salt, motor spirit duty, and tariff schedule should take effect forthwith. The Finance Minister added that for the coming year additional stamp duties, and the rate of income-tax and super-tax and of surcharge thereon were maintained, and the inland postal and telegraph rates, as at present existing, would also be retained.

Bihar.

The Revised Estimates for 1937-38 presented by the Finance Minister disclosed a rise of Rs. 11½ lakhs under revenue, total receipts being Rs. 506.5 lakhs mainly on account of the Centre's grant of Rs. 13½ lakhs. Total expenditure rose slightly by Rs. 2 lakhs to Rs. 505 lakhs and receipts in the capital account were Rs. 2 lakhs below expectations. The variations from the original budget estimates leave the Province with a surplus of Rs. 12½ lakhs, of which Rs. 9½ lakhs is set aside for earthquake reconstruction and Rs. 3 lakhs added to the ordinary balance. The Minister remarked that 1937-38 was satisfactory, although expenditure had to be kept down to a minimum to attain a balanced budget.

The revenue for 1938-39 is estimated at Rs. 498.5 lakhs and loan recoveries are placed at Rs. 6.75 lakhs making a total of Rs. 505.25 lakhs Expenditure charged to revenue including a reserve of Rs. 8 lakhs to defray the cost of new schemes under preparation. The budget shows a surplus of Rs. 2.97 lakhs totals Rs. 502 lakhs and expenditure not charged to of which Rs. 1.76 lakhs is assigned to capital funds revenue is Rs. 1.76 lakhs making a total of Rs. 504 and Rs. 1.21 lakhs will be carried to the balance.

The Bihar budget thus shows a surplus, but the Minister declared that it was hardly satisfactory. For financing new schemes it remained necessary to examine measures for economy and to secure new sources of revenue. The budget estimates include certain new items on the revenue side: for instance, an increase of Rs. 3½ lakhs is anticipated under stamps at the enhanced rates approved in December. The agricultural

income tax is expected to give Rs. 5 lakhs and the entertainments tax will provide Rs. 30,000 according to the estimates. It is expected that the three new items will bring about Rs. 50 lakhs in later years though they are likely to provide only Rs. 9 lakhs in later years though they are likely to provide only Rs. 9 lakhs in the year 1938-39 The Central grant from income-tax proceeds is anticipated to give Rs. 13 lakhs for Bihar's share of 10 per cent but land revenue and the jute duty are expected to record a decline of about Rs. 3¾ lakhs A part of Civil Works expenditure will be financed from the Road Development grant's rise of Rs. 6 lakhs is expected under the head Excise receipts in the coming year are placed at Rs. 17 lakhs below the revenue for 1937-38 partly on account of that head. Excise receipts in the coming of prohibition in Saran.

On the expenditure side, the outstanding feature is the creation of a reserve of Rs. 8 lakhs to finance new schemes of rural development, electrification and irrigation. Certain administrative economies are planned and the whole question of retrenchment is to be examined by a special committee. The cost of the new schemes outlined in the first part of the Ministers's speech (and included in the Budget) comes to Rs. 1½ lakhs recurring and Rs. 28 lakhs non-recurring of which Rs. 18 lakhs will be spent next year. Of the ultimate total Rs. 19 lakhs (Rs. 8¼ lakhs next year) is required to meet the projects to be financed from the Road Fund as Government hope to get the six-year programme going. The remaining provisions for new schemes like larger grants for rural water supply improvement to hospitals, dispensaries, preventive measures against epidemics and intensive agricultural demonstration in sixteen selected thanas. The schemes are designed to raise the material and moral condition and are ultimately remunerative.

Capital expenditure is estimated at about Rs. 134 lakhs, and is mostly for irrigation and electricity schemes, hospital buildings and payment of commuted value of pensions which has been provisionally provided for under Capital.

For loans to agriculturists, local bodies and others, the provision made is about Rs. 118 lakhs. Out of this sum, Rs. 50 lakhs are to enable agriculturists to benefit by Debt Relief measures, and Rs. 7 lakhs are for loans to them for other purposes including construction of dwelling houses. Rupees 53 lakhs are provided for loans to local bodies, mostly for water-supply, drainage, housing, electricity and other capital expenditure ; and about Rs. 8 lakhs for advances to industrial concerns, co-operative societies and others.

It is proposed to raise an open market loan of Rs. 1¾ crores to finance remunerative capital expenditure and for re-lending.

The closing balance at the end of the year, exclusive of securities in the Famine Relief Fund and the Pykara Electricity Funds valued at about Rs. 63 lakhs, is estimated to stand at Rs. 64.57.

The capital liabilities and assets of the Province at the end of the current year are estimated at Rs. 17½ crores and Rs. 30¾ crores respectively, corresponding figures at the end of next year being Rs. 19¼ crores and Rs. 32½ crores respectively.

This summary shows that in spite of the proposed extension of prohibition to the districts of Cuddapah and Chittoor, the effect on excise revenue will be small and will be met by a rise in shop rentals. It will be noticed from the summary that extra funds for rural development are provided and the Agricultural Debtor's Relief Act is to be followed up with the provision of credit facilities.

The Punjab.

The same emphasis on rural reconstruction and prosperity is a feature of the Punjab Budget. Mr. Manoharlal's second budget was even more hopeful than his first and his optimism seemed justified on an analysis of the revenue and expenditure estimates. The creation of a special fund to finance rural reconstruction is a novel feature—and although the surplus was small, the fact that the Centre will release funds from income tax revenue in regard to 1938-39 also must be taken note of.

According to the Budget Estimates of the Punjab for 1938-39 the Revenue Receipts will be Rs. 11,41,56,000 and the Revenue Expenditure will be Rs. 11,36,42,000, thus providing for a surplus of Rs. 5.14 lakhs.

The revised figures for the year 1936-37 showed a total net improvement of Rs. 39¼ lakhs—thus converting a budget deficit of Rs. 16¼ lakhs into a surplus of Rs. 23 lakhs. This surplus had enabled Government to finance the early stages of the Haveli irrigation project.

As regards 1937-38, Dr. Manhorlal said that, not taking into account the sum of Rs. 11.04 lakhs to be received from the Government of India under the Niemeyer arrangements, the estimated real surplus on the year's revised figures was Rs. 50,20,000

despite heavy expenditure in connection with the working of the reforms.

Government intended to convert the whole of the estimated surplus of Rs. 61 lakhs (Rs. 50 lakhs plus Rs. 11 lakhs to be received from the Government of India) into a special fund, to be utilised for an intensive policy of development and reconstruction all along the line mainly in rural areas.

In the final result of the financial year 1937-38 after taking account of the amount hypothecated for the special development fund, the net surplus was Rs. 6.24 lakhs.

This amount of Rs. 6.24 lakhs had been carried over to the financial year 1938-39 and after balancing the budget a surplus had been shown of Rs. 5.14 lakhs without, of course, showing any amount received from the Government of India regarding the Niemeyer settlement.

The revenue position was thus summarised by the Minister:

The estimates for 1938-39 are:—

		(thousands.) Rs.
Revenue receipts	...	11,41,56
Revenue expenditure	...	11,36,42

Among the receipts exists the sum of Rs. 6 lakhs transferred from the special development fund, to which reference has already been made, and these Rs. 6 lakhs have been allotted to the beneficient departments on the expenditure side in addition to their normal budget grant as it would have otherwise stood. The estimates provide for a small surplus of Rs. 5.14 lakhs. No provision has been made on the receipts side for any contribution that may come as Punjab's share of the distribution by the Government of India under the Niemeyer arrangements because it is not possible to say definitely what the contribution, if any, may be. As a result of this contribution the expected surplus may be substantially enhanced, but as long as the present policy of not allowing the surplus to merge into the provincial balance and utilizing it to add to the size of the development fund is maintained, no possible objection can be taken.

The results of the past year's transactions is indicated in the following passage from the Minister's speech:

The opening balance for the year 1937-38 was Rs. 2,20 lakhs. The closing balance of the year is Rs. 1,95 lakhs. During the year large capital expenditure extending to Rs. 1,22 lakhs was incurred and part of it was met from the balances. It has been possible to meet the remainder from Extraordinary Receipts Rs. 31.04 lakhs; Surplus from the Conversion Loan Rs. 19.76 lakhs. Debt Deposits and Remittances, Rs. 39.64 lakhs ; Revenue surplus Rs. 6.24 lakhs.

The next year is expected to start with an opening balance of Rs. 1,95 lakhs. This balance, as in the current year, is to be utilized to a considerable extent for financing big capital expenditure such as the Haveli project and the Hydro-Electric schemes, such capital expenditure that is ordinarily met from borrowed capital. The actual closing balance would depend upon the extent of this borrowing, contingent on a variety of circumstances, as also upon the state of extraordinary receipts and the actual surplus of the year.

The Punjab's debt position is probably a shade more satisfactory than at the time of the last budget. The minister informed the Assembly that:

"On the heads of extraordinary receipts or capital expenditure we have to-day a net consolidated debt of Rs. 17 crores, repayable in forty-five years in biennial equated instalments carrying interest at 4 per cent. per annum. There is a further debt of Rs. 10 crores, excluded from consolidation, but repayable at any time by agreement between the Government of India and our Government—in the meantime it carries interest at 3½ per cent.

In the year 1937-38, the net benefit that accrued to the province from the consolidation of debt is Rs. 2,38,000. Of our public debts raised by bonds, 5¾ per cent. Punjab bonds of 1937 that matured last October have been extinguished by a new floatation at 3 per cent. and this operation saves the province roughly Rs. 78,000 a year ; our own total public debt now is Rs. 4,19.10 lakhs.

We touch to-day a higher provision for the nation-building services than ever before in the financial history of this province. The previous record of 1929-30 is now far surpassed.

In 1921-22 this expenditure stood at Rs. 1.70 crores—to-day it stands at nearly twice the figure—and we have with us besides even after drawing Rs. 6 lakhs for special intensive work for these activities during 1938-39, a sum of Rs. 49 lakhs in the Special Development Fund."

Assam.

The Assam Budget made a better showing than was anticipated. But difficulty is certainly experienced in meeting the former deficits and Sir Mohamed Saadulla explained in the Assembly how he wanted to make an arrangement with the Centre whereby this will be met by the issue of Treasury

Bills. In respect of 1937-38, the Revised Estimates show a fall of Rs. 6 lakhs under land revenue owing to certain concessions allowed. Stamp revenue is stated to have fallen and the only increase is under the jute export duty in which the Province has a share. Expenditure for 1937-38 is stated to have exceeded estimates by Rs. 1.13 lakhs. Thus the surplus of Rs. 2.25 lakhs to which the Minister looked forward in July is reduced to nil and owing to the rise in expenditure the year is expected to end with a deficit of Rs. 2.74 lakhs. It is hoped that the Central grant to the province from income-tax will wipe this out.

As regards the coming year, the Minister stated that the opening balance will be Rs. 33.34 lakhs. Land revenue in the coming year is expected to decline further and the total under this head is placed at Rs. 120.7 lakhs. The total revenue in the coming year will be Rs. 264.24 crores as against Rs. 278.67 lakhs shown in the Revised Estimates. The drop in income is offset by a fall under expenditure which in the coming year will be Rs. 268.86 lakhs as compared with Rs. 281.41 shown in regard to 1937-38 in the Revised Estimates. The consequence will be a deficit of Rs. 4.62 lakhs. But it is expected that it will have little effect on the closing balance which includes both revenue and capital receipts and will show a surplus of Rs. 40. 48 lakhs, although it will be reduced by Rs. 4 lakhs if the balance is used to meet the revenue deficit of 1936-37. It is also hoped that the 1937-38 deficit will be compensated for by a reduction in interest charges and a grant from the Centre under the Niemeyer Award. Assam's case for a share in the petrol and kerosene excise was again put forward as the Minister declared that the Province is handicapped by lack of resources. In spite of centralised receipts, land revenue remission has been ordered and resettlement operations have been postponed in two districts. Some effort has been made to provide additional fund for the agricultural and co-operation departments and medical relief and education. An interesting announcement was contained in a statement to the effect that Assam wants to have a separate High Court.

Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	1925-26	Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30		Accounts, 1930-31		Accounts, 1931-32	
	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Principal Heads of Revenue—													
Customs	...	46,56,84	...	47,36,60	...	46,34,42	...	50,30,15	...	45,87,37	...	45,53,17	...
Taxes on Income	...	15,03,21	...	14,40,83	...	16,01,83	..	15,98,76	...	15,25,61	...	16,74,89	...
Salt	...	5,49,85	...	5,36,67	...	6,36,67	...	5,49,50	...	5,56,80	...	7,42,24	...
Opium	...	2,32,69	...	3,07,52	...	2,71,64	...	2,55,28	...	1,78,91	...	1,27,64	...
Other Heads	...	1,60,98	...	1,75,00	...	1,62,48	...	1,62,25	...	1,89,03	...	1,61,45	...
TOTAL ...	...	72,03,57	...	71,96,62	...	75,06,59	...	75,95,94	...	69,87,72	...	72,59,39	..
Forest and other Capital outlay Charged to Revenue	7,18	...	7,88	...	12,58	...	3,62	...	5,18	...	4,02	...	66
Irrigation	8,12	...	5,25	...	8,33	...	12,85	...	20,02	...	30,73	...	3,72
Railways	...	6,01,13	...	6,27,83	...	5,23,19	...	6,11,86	...	5,78,57	...	...	...
Posts and Telegraphs	...	...	5,18	...	47,28	...	74,22	...	81,18	...	1,5587	...	41,71
Debt Services	14,12,29	...	12,65,90	...	11,99,23	...	12,82,41	...	12,18,07	...	14,0	...	17,31,44
Civil Administration	9,86,51	...	10,27,39	...	10,22,09	...	10,42,58	...	11,49,32	...	12,36	...	11,23,11
Currency and Mint	...	3,39,40	...	1,89,79	...	2,16,71	...	1,99,48	...	27,84	...	1,02,52	...
Civil Works	1,47,57	...	1,73,95	...	1,42,41	...	1,42,24	...	2,35,62	...	2,3547	...	1,96,26
Miscellaneous	3,71,42	...	3,86,15	...	3,22,85		3,16,45	...	3,50,02	...	3,34,48	...	2,77,24
Military Services	55,99,86	...	55,96,96	...	54,79,45	...	55,10,00	...	55,10,00	...	55,30,00	...	51,76,00
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments	...	5,18,23	...	2,60	...	2,92	...	3	...	...	...	...	...
Extraordinary Items	...	...	2,39,13	2,17,38	...	1,03,42	...	1,83,88	...	83,58	...	18,50	...
GRAND TOTAL ...	85,32,95	86,57,07	86,57,07	82,34,22	82,34,22	83,52,83	83,84,37	85,96,19	85,69,36	76,72,21	88,33,66	73,80.41	85,55,14

Statement of the Receipts and Disbursements of the Central Government, in India and in England—(*Contd.*)

(*In Thousands of Rupees*)

	Accounts, 1932-33		Accounts, 1933-34		Accounts, 1934-35		Accounts, 1935-36		A/c. 1936-37		Revised, 1937-38		Budget 1938-39	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipte	Net Chargs
Principal Heads of Revenue—														
Customs	51,02,23	...	46,17,85	...	52,67,42	...	52,24,87	..	51,44,67	..	51,67,00	..	51,57,00	...
Taxes on Income ...	17,19,81	..	16,30,36	...	17,54,52	...	17,07,39	...	15,33,51	...	13,62,40	...	13,97,34	...
Salt	8,95,84	...	7,70,91	...	8,00,01	...	8,42,80	...	8,81,36	...	8,35,00	...	8,38,00	...
Opium	5,99	...	88,15	...	71,95	...	61,10	...	47,66	...	46,23	...	44,92	...
Other Heads ...	1,27,10	...	1,25,49	...	1,91,54	...	1,05,98	..	96,64	...	1,00,21	...	1,06,57	...
TOTAL ...	73,50,97	...	72,32,76	...	80,85,42	...	79,42,14	...	77,03,84	4,24,40	75,10,84	3,74.84	75,40,83	4,33,35
Forest and other Capital outlay charged to Revenue ...	...	2,37	...	89	...	1,67	...	50	...	80	...	46	...	98
Irrigation ...	...	3,76	...	3,99	..	5,99	311	5,06	−5,65	9,79	1,10	11,19	1,02	10,78
Railways ...	...	...	...	...	...	32,36,84	31,97,90	31,97,90	31,50,31	31,50,31	32,72,45	29,89,85	32,57,41	30,01,75
Posts and Telegraphs	...	46,46	...	56,67	44,96	...	79,85	80,05	93,36	82,39	1,15,43	77,23	74,61	80,48
Debt Services ..	...	16,58,06	...	16,65,74	...	13,25,11	86,48	13,49,85	40,29	12,55,88	57,67	14,84,08	66.33	14,62,32
Civil Administration	...	8,82,11	...	8,77,40	...	11,10,44	91,94	10,58,92	96,40	11,27,33	99,54	10,63,37	99.99	11,31,18
Currency and Mint ...	1,64,96	...	74,11	...	74,55	...	1,16,90	42,16	1,18,71	37,71	85,46	39,05	66,94	37,43
Civil Works ...	...	1,53,79	...	1,71,30	...	2,42,23	28,68	2,18,83	30,53	2,52,10	32,35	2,58,64	30,90	3,12,36
Miscellaneous ...	...	3,30,29	...	3,42,31	...	4,39,77	1,36,34	3,37,22	1,70,75	3,05,08	1,36,52	3,85,80	1,54,86	3,63,45
Defence Services ...		36,74,00	...	44,42,48	5,30,02	49,64,28	52,0,53	50,18,53	5,22,26	50,67,26	5,31,79	52,53,61	5,59,69	50,77,69
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments	...	96,05	...	1,06,00	...	2,97,78	...	1,19,52	...	2,77,91	...	3,15,90	...	3,08,82
Extraordinary Items	...	...	...	2,46,09	...	2,84,90	2	...	67	19,23	4,13,89	3,07	3,75,14	1,88
GRAND TOTAL ...	8,15,93	78,60,74	73,06,87	73,06,87	1,25,10,18	1,25,10,18	1,22,01,09	1,22,01,09	1,19,21,47	1,21,00,19	1,22,57,04	1,22,57,04	1,22,27,72	1,22,18,47

Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30		Accounts, 1930-1		Accounts, 1931-32	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Surplus or Deficit	...	...	...	...	...	31,54	26,83	...	...	11,58,45	...	11,74,78
Capital Accounts—												
Capital outlay on Security Press...	...	16,50	...	-9,77	...	—4,76	...	23	...	4,02	...	—3,82
Railway Capital not Charged to Revenue	...	29,85,93	...	33,14,99	15	29,35,07	2,44	30,18,34	...	18,20,87	...	6,75,63
Payment for discharge of Railway Debentures	...	...	...	...	...	...	...	...	...	27	..	...
Construction of Irrigation Works	...	—70	...	7	...	36	...	2,99	...	—3,68	...	...
Capital outlay on Posts and Telegraphs	...	32,59	...	46,88	...	53,33	...	33,07	...	38,73	...	9
Capital outlay on Vizagapatam Port	...	31,86	...	29,05	...	29,23	...	35,75	...	—13	..	87,92
Capital outlay on Lighthouses and Light Ships	..	...	...	...	...	...	...	13	...	1,35	...	36,68
Currency Capital outlay ...	...	8,66	...	12,95	...	...	...	69	...	...	...	...
Initial Expenditure on New Capital at Delhi	...	61,63	...	46,58	...	3,37	...	72,72	...	48,27	...	—6
Payment of commuted value of Pensions	⋮	28,85	...	44,26	...	36,65	...	38,30	...	42,66	..	1,461
Capital outlay on Bombay Land Scheme	...	...	...	20,74	...	36,09	...	38,09	...	2,10,87	...	42,32
Payments to Retrenched Personnel	...	...	...	...	...	...	...	...	...	...	...	...
Debt Deposits Advances and Remittances—												
Permanent Debt	3,31,66	...	4,38,88	...	28,01,91	...	20,39,57	...	46,97,54	...	...	1,45
Floating Debt	...	8,18,00	...	1,94,60	3,62,25	...	30,10,65	...	...	6,59,86	...	47,89
Unfounded Debt	12,72,14	...	11,86,63	...	8,40,95	...	13,04,22	...	...	...	40,03,76	...
Deposits and Advances	23,73,26	...	12,89,97	...	3,17,90	...	...	2,31,63	5,78,41	9,56,15	10,13,08	...
Loans and Advances by Central Government	...	5,88,77	...	7,77,48	...	12,72,24	...	7,20,11	..	10,97,02	...	4,83,61
Loans between Central and Provincial Governments ...	...	...	...	...	...	...	...	...	...	...	...	...
Remittances	1,21,88	...	19,22	...	75,66	...	...	51,12	6,15	...	...	12,68,48
Balances of Provincial Governments	...	4,35,26	...	4,78	...	56,84	...	3,70,76	...	7,07,63	...	1,22,07
Opening Balance	40,19,51	...	32,18,88	...	16,70,97	...	16,19,83	...	34,27,91	...	24,68,67	1,59,68
Closing Balance	...	31,11,10	...	16,70,97	...	16,19,83	...	34,27,91	...	24,68,67	...	33,84,43
TOTAL ...	81,18,45	81,18,45	61,53,58	61,53,58	60,69,79	60,69,79	80,03,54	80,03,54	78,10,54	87,10,01	74,90,51	74,90,51

Abstract Statement of the Receipts and Disbursements of the Central Goverment, in India and in England—(*Contd.*)

(In Thousands of Rupees)

	Accounts 1932-33		Accounts 1933-34		Accounts 1934-35		Accounts 1935-36		Accounts 1936-37		Revised Estimate 1937-38		Budget Estimate 1938-39	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Surplus or Deficit ..	1,55,19	..	...	...	36,00	...	...	...	...	1,78,72	...	...	9,25,	...
Capital Accounts—														
Capital outlay on Security Press ...	...	..	...	—9,01	...	1,12	...	—90	...	—3	...	—81	...	...
Capital outlay not charged to Revenue	...	—72,57	...	—1,81,49	...	68,70	...	...	...	...	...	...	...	...
Payment for discharge of Railway Debentures ...	...	...	...	...	...	...	...	2,61,29	...	1,67,06	...	2,14,79	...	6,83,14
Capital outly on Agricultural inprovement and Revenue ...	...	...	...	...	...	...	..	...	...	116	...	33	...	...
Construction of Agricultural Works	...	...	...	...	...	...	...	20,81	...	10,13	...	99	...	23
Capital outlay on Posts and Telegraphs	..	14,82	...	5,38	...	32,87	...	39,24	...	46,51	...	41,77	...	2,71,83
Capital outlay on Vizagtiam Port	...	52,42	...	51,02	...	14,71	...	5,15	...	2,08	...	61	...	3,86
Captal outlay on Light houses and Light Ships ...	...	...	...	...	...	...	...	5,18,23	...	...	...	...	...	...
Currency Capital outlay ...	...	—3,83	...	—4,14	...	51	...	37,77	...	−1,23	...	−1	...	...
Initial Expenditure on New Capital at Delhi ...	...	...	...	9,10	...	72,13	...	47,11	...	20,65	...	27,43	...	15,75
Payment of commuted value of pensions	...	78,89	...	82,99	...	59,38	...	...	...	44,20	...	21,99	...	−3,92
Capital outlay on Bombay Land Scheme ...	...	...	...	...	...	...	...	2,63	...	...	..	...	...	...
Payment to Retrenched Personal	...	12,63	...	2,94	...	−1,08	...	22,06,66	...	−4,71	...	−8,60	...	...
Debt Deposits Advances and Remittances—														
Permanent Debt ...	22,71,74	...	...	4,90,80	3,81,09	...	...	22,21,25	...	13,53,31	...	...	...	...
Floating Debt	...	45,12,65	...	2,33,50	...	4,89,45	15,50,53	...	...	3,59,25	6,00,00	...	5,00,000	3,01,94
Unfunded Debt	20,09,74	...	22,81,07	...	14,52,71	...	23,60,51	...	12,01,15	...	53,24	5,98,25	...	...
Deposits and Advances ...	50,96	...	...	9,64,67	...	6,27,91	10,02	...	11,02,67	...	...	...	7,72	1,11,01
Railway Depreciation and Reserve fund as pere ...	...	...	...	...	...	...	...	...	6,50,28	...	4,87,00	...	5,92,00	...
Railway Budget net ...	...	...	..	...	...	...	...	...	...	...	3,84,45	4,52,83	2,08,14	...
Loans and Advances by Central Govrmnent ...	..	6,91,63	...	2,23,56	...	2,10,09	...	9,02,77	...	34,40	...	.	1,11,01	...
Loans between Central and Provincial Governments	...	66,90	..	...	...	...	...	...	...	..	...	...	...	...
Remitances	...	...	62,95	...	...	9,39	...	...	88,36	4,24,45	...	...	...	...
Balances of Provincial Governments ...	2,59,82	...	25,23	...	...	1,54,89	1,80,10	37,31	...	...	...	48,36	...	...
Opening Balance ...	33,84,43	...	27,78,88	...	32,76,48	...	37,20,38	...	15,27,47	...	21,36,08	12,72,35	9,40,42	...
Closing Balance	...	27,78,33	...	32,76,48	...	37,20,37	...	15,27,48	...	21,36,03	...	9,40,42	...	8,74,80
TOTAL ...	81,31,88	81,81,88	51,47,58	51,47,58	53,01,33	53,01,83	78,21 75,	48,21,54	45,69,93	45,69,93	36,10,72	36,10,72	22,58,64	22,58,64

Revenue—Government of Madras Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	4,64	5,94	5,48	7,27	6,75	...	...	...	...	...	..	24,45	20,55
Land Revenue ...	6,22,00	6,23,77	5,24,89	5,21,06	4,88,62	5,32,73	5,02,57	6,93,34	7,15,41	4,94,64	4,75,86	4,99,71	4,99,21
Excise ...	5,10,53	5,34,37	5,58,76	5,92,26	5,24,28	4,25,80	4,26,96	4,28,83	4,23,12	4,08,26	3,95,58	4,02,68	3,88,93
Stamps ...	2,52,30	2,50,11	2,51,17	2,50,92	2,34,71	2,34,93	2,41,58	2,28,11	2,17,11	2,08,18	1,95,08	1,89,02	1,86,01
Forest ...	56,24	53,44	61,55	63,56	52,69	45,82	49,72	41,58	44,34	44,97	48,29	56,98	45,08
Registration ...	40,53	39,06	34,12	35,58	31,80	30,73	33,49	31,15	31,93	31,15	30,69	33,75	37,03
Scheduled Taxes ...	...	...	..	...	...	...	..	...	...	42,61	49,69	57,97	57,74
TOTAL ...	14,86,24	15,06,69	14,35,97	14,70,65	13,38,35	12,69,51	12,54,32	14,23,01	14,31,91	12,29,81	11,95,19	12,58,56	12,34,55
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	91,27	86,62	1,83,41	1,88,65	1,86,01	1,91,62	2,09,07	7,82	8,17	2,15,66	2,16,10	1,84,41	1,88,35
Interest Receipts ...	20,86	25,17	34,27	40,88	42,52	30,76	29,66	33,42	25,07	21,84	25,19	19,73	20,88
Civil Administration ...	60,25	63,78	68,62	74,94	72,17	98,02	1,08,36	1,01,29	1,14,14	78,49	79,33	81,54	81,35
Civil Works	8,37	9,25	13,06	11,52	24,89	22,46	20,55	21,84	24,56	20,95	37,35	42,19	48,54
Miscellaneous ...	16,69	13,85	17,69	22,13	19,95	17,48	18,27	15,63	15,96	37,47	23,56	26,61	24,54
Contribution to the Central Government by Provincial Government	—1,65,19	...	...	...	...	...	...	...	...	...	...	..	...
Miscellaneous adjustment between Central and Provincial Governments (net)	...	—5,51	..	...	...	...	...	...	..	...	...	...	...
Extraordinary Receipts	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	15,18,49	16,99,85	17,53,02	18,08,77	16,83,89	16,29,85	16,40,23	16,03,01	16,19,81	16,04,22	15,76,72	16,13,04	15,98,21
Revenue in England with Exchange	1	1	9	10	4	3	2	4	...		...	...	...
TOTAL REVENUE ..	15,18,50	16,99,86	17,53,11	18,08,87	16,83,93	16,29,88	16,40,25	16,03,05	16,19,81	16,04,22	15,76,72	16,13,04	15,98,21

* Previously shown under the Old Major Head "Miscellaneous"

Expenditure—Government of Madras Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	38,96	39,16	30,73	28,39	28,45	25,51	19,89	19,83	19,66	29,69	28,15	26,85	24,72
Excise ...	42,69	42,96	43,67	45,19	46,38	36,57	33,24	32,94	33,31	35,20	33,15	32,79	32,63
Stamps ...	5,78	6,25	6,71	7,67	5,96	6,06	6,68	5,71	6.13	5,82	5,38	5,18	5,18
Forests ...	44,52	42,31	41,89	43,81	42,50	38,36	38,59	35,21	34,69	40,90	40,66	41,10	40,88
Registration ...	25,58	26,34	27,04	29,08	29,51	28,17	26,67	28,65	29,19	29,66	28,92	29,39	29,76
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	35,90	41,87	47,49	47,35
TOTAL ...	1,57,53	1,57,02	1,50,04	1,54,14	1,52,80	1,34,67	1,25,07	1,22,34	1,22,98	1,77,17	1,78,13	1,82,80	1,80,52
Forest and other Capital outlay charged to Revn.	5,48	5,38	4,77	4,31	4,27	2,98	6,43	6,51	6,15	...	...	...	...
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	93,90	97,34	1,05,82	1,23,71	1,27,47	1,32,18	1,26,38	92,89	99,78	1,25,62	1,25,84	1,29,58	1,23,05
Debt Services ...	45,18	53,68	58,06	39,33	21,30	17,45	11,56	97,44	95,25	5,58	1,57	−41,67	−30,00
Civil Administration ...	8,85,35	9,24,80	10,03,48	10,45,41	11,06,95	10,16,16	9,83,68	10,04,26	10,26,26	10,27,84	10,19,91	10,46,23	10,59,78
Civil Works ...	1,10,36	1,40,27	1,58,73	1,82,04	2,34,92	1,89,43	1,58,09	1,44,32	1,24,75	1,31,66	1,35,57	1,47,58	1,42,68
Miscellaneous ...	73,89	78,15	83,07	86,93	95,43	88,83	1,13,00	89,40	90,14	1,31,50	1,35,03	1,30,80	1,22,06
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	...	15,00	...
Total Expenditure in India ...	13,71,69	14,56,64	15,68,77	16,35,87	17,43,14	15,81,70	15,24,71	15,57,16	15,65,31	15,99,37	15,96,05	16,10,85	15,98,09
Expenditure in England with Exchange ...	45,33	41,49	45,20	48,91	46,55	42,77	38,33	39,65	43,57	...	...	...	...
TOTAL EXPENDITURE ...	14,17,02	14,98,13	16,13,97	16,84,78	17,89,69	16,24,47	15,63,04	15,96,81	16,08,88	15,99,37	15,96,05	16,10,85	15,08,09

Revenue—Government of Bombay Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	...	...	...	...	..	...	...	...	...	...	...	27,00	25,00
Salt ...	...	...	...	..	...	17	19	7	4	3	2	2	1
Land Revenue ...	4,66,94	5,23,19	4,84,68	4,79,63	4,74,45	5,01,34	4,71,24	3,85,10	3,40,86	3,74,35	3,44,32	3,18,98	3,39,84
Excise ...	4,09,39	3,96,21	3,92,26	4,07,89	3,04,35	3,26,55	3,50,85	3,64,37	3,12,13	3,83,47	3,25,29	3,24,00	2,98,00
Stamps ...	1,67,58	1,75,40	1,68,39	1,77,15	1,58,06	1,50,28	1,58.96	1,56,35	1,39,52	1,42,77	1,46,99	1,50,00	1,42,50
Forest ...	76,56	72,94	73,43	79,75	52,24	56,74	59,71	54,30	48,31	52,10	47,72	3'50	40.38
Registration ...	12,04	11,82	11,75	12,33	10,89	11,36	12,54	16,21	14,59	15,58	15,05	15,03	15,03
Scheduled Taxes ...	19,55	21,20	21,52	20,21	16,39	19,19	18,77	19,05	58,20	59,25	89,72	90,12	89,42
TOTAL ...	11,52,06	12,00,76	11,52,03	11,76,87	10,16,38	10,65,63	10,72,06	9,95,45	9,18,65	9,77,55	9,69,11	9,68,65	9,50,18
Railways ...	...	...	...	...	...	...	...	...	...	...	...	..	...
Irrigation ...	49,24	42,94	65,72	46,80	33,12	58,40	71,73	67,76	22,16	18,38	20,06	23,86	23,98
Interest Receipts ...	1,68,13	1,58,27	1,51,52	1,45,86	1,47,23	1,44,87	1,47,69	1,38,77	1,38,87	...	93,34	72,90	73.15
Civil Administration ...	59,10	56,04	76,91	82,51	89,77	95,49	1,00,83	1,04,07	81,67	87,37	89 56	89,73	89,28
Civil Works ...	16,39	34,70	38,71	52,93	53,06	72,53	62,04	60,81	42,44	37,25	38,82	53,74	51,96
Miscellaneous ...	34,54	33,82	38,87	82,93	33,92	35,43	44,99	60,46	16,16	15,50	17,77	21,40	20,[illegible]6
Contribution to the Central Government by Provincial Governments	−28,00	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments (net) ...	4,03	4	−4,00	−4	...	...	...	...	...	...	...	...	...
Extraordinary Receipts	2,58	7,91	1,96	3.56	7,06	9,60	25,75	33,34	4,41	29,39	12,74	54	42
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India...	14,58,07	15,34,48	15,21,72	15,91,42	13,80,54	14,81,95	15,25,09	14,60,68	12,29,36	11,65,44	12,41,20	12,30,82	12,09.03
Revenue in England with Exchange ...	...	..	2	11	32	9	8	6	...	...	...	...	...
TOTAL REVENUE ...	14,58,07	15,34,48	15,21,74	15,91,53	13,80,86	14,82,04	15,25,17	14,60,74	12,29,36	11,65,44	12,41,20	12,30,82	12,09,03

Expenditure—Government of Bombay Since 1926-27
(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised* 1937-38	Budget* 1938-39
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	65,51	66,48	64,77	66,08	64,93	69,86	66,76	62,84	46,15	46,79	46,93	46,74	65,78
Excise	63,92	47,94	46,32	44,25	41,68	39,61	46,78	48,16	42,54	39,88	41,49	40 08	41,27
Stamps	1,75	1,32	2,67	2,65	2,42	2,34	2,42	2,26	1,87	1,85	1,93	2,02	1,97
Forest	40,94	40,58	41,25	43,27	40,65	40,06	35,13	32,14	26,25	29,15	29,01	27,36	27,02
Registration ...	6,64	6,53	6,55	6,64	6,38	6,29	6,02	6,06	5,44	5,59	5,68	5,66	5,61
Scheduled Taxes ...	19	20	20	21	21	31	24	29	17,10	15,68	35,10	35,28	30,59
TOTAL ...	1,78,95	1,63,05	1,61,76	1,63,10	1,56,27	1,58,47	1,56,35	1,51,75	1,41,35	1,38,94	1,60,19	1,57,14	1,72,24
Forest and other Capital outlay Charged to Revenue	2,22	2,43	2,33	2,22	1,76	58	1,10	64	...	...	...	...	...
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	95,50	1,05,20	99,05	1,12,24	99,73	86,04	1,07,66	1,40,03	5,24	5,15	48,20	55,53	66,30
Debt Services ...	2,49,81	2,25,38	2,18,31	2,13,73	1,89,28	2,30,51	2,29,23	2,29,67	..	...	1,62,45	1,25,59	1,26,40
Civil Administration ...	7,85,75	7,85,77	8,05,22	8,26,10	8,33,65	8,05,31	7,50,39	6,59,34	5,65,49	5,76,28	5,90,76	6,09,40	6,22,04
Civil Works ...	1,20,84	1,47,35	1,45,96	1,40,26	1,54,41	1,13,32	93,40	92,62	81,47	89,24	1,10,88	1,29,21	1,19,07
Miscellaneous ...	1,46,89	96,58	80,60	82,63	87,42	93,76	1,18,05	1,24,91	1,16,01	1,21,45	1,28,42	1,43,10	1,43,75
Extraordinary Items ...	...	...	...	...	...	2	3,24	2,75	1,25	30	17	23	4
Total Expenditure in India	15,79.96	15,25,76	15,13,28	15,40,28	15,22,52	14,88,31	14,59,42	14,01,71	9,00,81	9,31,36	12,01,07	12,20,20	12,49,84
Expenditure in England with Exchange ...	48,71	37,50	42,37	40,52	39,39	41,08	39,53	42,02	36,11	...	...	...	...
TOTAL EXPENDITURE ...	16,28,67	15,63,26	15,55,60	15,80,80	15,61,91	15,29,39	14,98,95	14,43,73	9,36,92	9,31,36	12,01,07	12,20,20	12,49,84

* Excludes the province of Sind.

Revenue—Government of Bengal Since 1926-27

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Customs	...	...	...	...	...	...	...	...	...	...	2,56,50	2,39,50
Taxes on Income	...	...	...	...	...	...	...	...	...	...	27,60	25,60
Salt	...	...	...	...	5,37	6,04	2,12	1,19	96	55	59	61
Land Revenue	3,15,12	3,26,76	3,24,74	3,08,93	3,06,22	3,00,06	3,21,14	3,43,85	3,43,29	3,54,00	3,64,27	3,50,70
Excise	2,24,31	2,24,91	2,26,25	1,80,16	1,56,00	1,40,32	1,34,06	1,33,65	1,33,73	1,36,37	1,54,00	1,50,00
Stamps	3,46,81	3,54,88	3,91,97	3,12,96	2,71,09	3,13,01	2,87,14	2,86,03	2,95,94	3,02,35	2,97,00	2,90,00
Forest	33,49	31,18	30,52	23,12	16,94	15,12	15,03	17,82	20,10	18,36	19,91	19.36
Registration	40,17	39,94	31,69	23,72	19,33	18,47	19,67	22,43	23,70	23,97	24,00	24,00
Scheduled Taxes	19,47	16,99	16,29	13,00	13,04	11,30	11,22	13,77	14,71	16,89	60,35	41,25
Total	9,79,37	9,94,66	10,21,46	8,61,88	7,87,99	8,04,32	7,90,38	8,21,74	8,32,43	8,52,49	12,04,22	11,41,02
Railways	2,45	1,02	1,19	92	76	81	28	...	53	37	15	18
Irrigation	—4,62	—1,19	−2,65	−2,09	−53	−2,30	−1,33	−3,13	16	—31	—56	+30
Interest Receipts	6,29	6,24	6,13	4,67	4,30	6,18	5,42	6,83	5,57	7,20	8,41	30,98
Civil Administration	68,86	77,35	82,41	71,53	75,24	87,66	84,07	90,27	95,18	94,36	80,07	88,41
Civil Works	6,61	5,54	5,25	10,36	17,35	15,76	12,49	18,77	16,69	20,90	31,34	34,16
Miscellaneous	18,34	12,90	17,04	16,48	15,31	21,44	13,61	11,63	26,98	47,23	17,55	17,63
Contribution to the Central Government by Provincial Govts. ...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Govts. ...	1,59	...	...	...	...	2,14	...	1,59,68	1,68,78	1,92,03	...	...
Extraordinary Receipts ...	2,41	49	5,06	2,17	58	2,10	85	1,92	1,13	10	132	5
Transfer from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	10,81,30	10,97,01	11,35,89	9,65,92	9,01,00	9,38,11	9,05,77	11,02,71	11,47,45	12,14,37	13,42,50	13,12,73
Revenue in England with Exchange	−1	1,66	−2	35	6	−7	−4	+2	2	2	...	...
Total Revenue	10,81,29	10,98,67	11,35,87	9,66,27	9,01,06	9,38,04	9,05,78	11,02,73	11,47,47	12,14,39	13,42,50	13,12,73

Expenditure—Government of Bengal Since 1926-27

(In Thousands of Rupees)

	1926-27	127-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax	..	...	...	...	...	..	...	..	...	...	...	...	...
Land Revenue ...	38,43	33,45	45,73	45·09	45,36	41,24	37,76	37,33	39,03	36,79	35,43	34,00	32,40
Excise	24,93	23,8	22,93	22,25	21,80	19,55	17,00	17,54	16,60	17,88	18,84	19,59	20,73
Stamps	8,43	8,93	9,00	6,23	5,23	4,10	4,61	4,30	4,88	4,80	4,79	4,90	4,84
Forest	13,90	14,40	15,48	15,47	15,17	14,96	14,48	14,42	14,90	15,47	14,02	15,44	17,16
Registration	18,76	20,71	20,25	22,13	19,95	18,94	17,47	17,51	17,70	18,48	19,07	19,09	18,99
Schedule Taxes ...	15	15	15	15	16	15	15	5	5	11	8	4,96	4,96
Total ...	1,04,65	1,06,51	1,14,84	1,11,33	1,07,67	98,94	91,47	91,15	93,16	93,53	93,13	97,98	98,94
Forest and other Capital outlay charged to Revenue	3,23	2,62	1,04	1,17	78	1,64	61	..	...	...	...	...	...
Railways	...	...	.	..	..	.	...	...	...	..	...	...	...
Irrigation	35,12	35,17	36,92	34,13	30,73	29,02	28,75	31,07	33,12	33,74	31,36	36,34	43,52
Debt Services ...	—7,44	−7,17	−7,92	−1,68	23	1,10	13,49	10,22	16,04	26,83	28,15	−8,05	15,42
Civil Administration .	7,07,21	7,09,72	7,29,86	7,34,92	7,73,99	7,50,18	7,24,12	7,39,28	7,39,63	7,61,07	7,65,72	8,05,39	8,70,75
Civil Works	1,11,37	1,01,06	97,32	94,54	1,01,19	88,48	76,25	76,20	80,24	86,72	93,18	1,25,30	1,46,75
Miscellaneous ...	75,49	97,74	80,57	97,53	84,59	89,26	91,89	93,87	1,01,42	1,07,17	1,18,17	1,40,72	1,87,89
Extraordinary Items ...	...	...	...	...	...	...	...	...	2,50	...	...	9,06	11,00
Total Expenditure in India	10,29,63	10,45,65	10,52,63	10,91,94	10,99,18	10,58,57	10,27,58	10,41,79	10,66,11	11,09,06	11,29,71	12,06,74	13,24, 27
Expenditure in England with Exchange ...	41,32	39,92	37,84	41,70	41,61	41,95	40,25	39,87	41,90	42,11	44,45	...	...
Total Expenditure ...	10,70,95	10,85,57	10,90,47	11,33,64	11,40,79	11,00,52	10,67,83	10,81,66	11,08,01	11,51,17	11,74,16	12,06,74	13,24,27

Revenue—Government of the United Provinces Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34.	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	...	...	...	71	1,40	...	..	...	...	...	...	21,00	20,00
Salt	...	..	..	..	...	9	10	3	2	...	...	...	...
Land Revenue ...	6,87,97	6,92,56	6,04,38	6,85,33	6,47,99	6,12,41	5,70,76	5,58,23	5,85,96	5,87,84	5,64,69	5,90,94	6,11,87
Excise ...	1,31,00	1,40,97	1,30,86	1,30,35	1,12,22	1,08,23	1,22,29	1,30,92	1,33,76	1,40,68	1,52,78	1,50,50	1,36,25
Stamps	1,69,29	1,71,37	1,72,70	1,80,65	1,69,67	1,65,96	1,85,44	1,74,97	1,60,47	1,49,70	1,62,59	1,36,00	1,46,50
Forest	58,29	66,08	61,80	61,80	49,76	45,32	45,98	45,19	49,02	48,55	44,36	48,82	48,81
Registration	13,31	12,92	13,54	13,77	11,98	11,39	13,26	11,86	11,08	10,47	10,34	10,00	10,50
Scheduled Taxes ...	...	...	..	...	...	...	...	...	...	2	1	12,01	15,18
TOTAL ...	10,59,86	10,83,90	9,83,28	10,72,61	9,93,02	9,43,40	9,37,83	9,21,20	9,40,31	9,37,26	9,84,78	9,69,27	9,88,61
Railways	84	2,23	1,87	1,85	1,45	86	1,00	1,29	1,13	70	1,04	1,83	1,50
Irrigation	99,35	97,88	84,99	1,27,86	1,09,71	97,61	1,29,13	1,20,75	1,10,02	1,55,89	1,51,85	1,35,48	1,63,77
Interest Receipts ...	9,23	11,76	10,29	16,92	15,26	13,33	12,64	12,21	12,68	12,06	11,93	11,48	11,21
Civil Administration ...	44,85	47,70	46,65	48,47	49,77	46,46	44,12	44,04	44,36	47,83	51,67	58,94	76,96
Civil Works	3,92	3,84	3,45	3,28	6,78	5,69	3,99	5,29	6,97	17,68	22,15	13,85	14,94
Miscellaneous ...	41,11	38,06	14,25	27,85	20,28	13,96	16,35	18,85	14,60	16,60	18,58	23,42	19,70
Contribution to the Central Government by Provincial Governments	−1,50,85	...	...	...	...	..	...	...	...	...	...	..	
Miscellaneous adjustments between Central and Provincial Governments	−15	67	...	...	...	..	...	...	...	...	...	25,00	...
Extraordinary Receipts...	30,55	36	...	...	...	...	...	...	...	...	...	...	25,00
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	..	...	...	...	...	...	..
Total Revenue in India ...	11,38,71	12,86,40	11,44,78	12,98,34	11,96,27	11,21,31	11,45,06	11,23,63	11,30,07	11,87,97	11,92,00	12,89,27	13,01,70
Revenue in England with Exchange	...	−2	37	27	46	35	15	...	14	17	...	...	...
TOTAL REVENUE ...	11,38,71	12,86,38	11,45,15	12,98,61	11,96,73	11,21,66	11,45,21	11,23,63	11,30,21	11,88,14	11,92,00	12,89,27	13,01,70

Expenditure—Government of the United Provinces Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1937-38	Revised 1936-37	Budget 1938-39
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	...	...	...	...	...	...	...	...	...	..	...	...	—
Land Revenue ...	85,94	86,62	90,61	92,62	95,52	88,16	73,89	74,23	73,85	73,79	84,12	90,02	96,44
Excise	12,79	13,13	13,41	13,26	12,81	11,30	10,76	11,53	11,45	11,80	11,87	11,82	13,36
Stamps	3,43	3,31	3,75	3,41	3,24	3,13	3,03	2,99	2,89	2,61	2,70	2,78	2,91
Forests	31,68	32,26	31,42	32,53	32,02	27,11	25,98	26,42	27,18	27,55	29,40	28,91	30,33
Registration ...	4,64	4,74	4,90	4,97	4,96	4,68	4,31	4,52	4,54	4,61	4,77	4,75	4,75
Scheduled Taxes ...	..	...	...	...		...	..	...	...	...	...	10,02	10,94
TOTAL . ..	1,38,48	1,40,06	1,44,09	1,46,79	1,48,55	1,34,38	1,17,97	1,19,69	1,19,41	1,20,36	1,32,86	1,43,25	1.58,73
Forest and other Capital outlay charged to Revenue .	1,33	1,73	1,01	1,34	74	17	7	7	22	28	...	...	...
Railways	17	13	13	13	13	8	8	8	7	7	7		
Irrigation	78,63	86,08	1,05,07	94,12	1,02,80	1,05,47	1,07,52	1,07.11	1,06,92	1,06,82	1,06,81	6 1,13,74	6 1,15,44
Debt Services... ...	41,06	59,59	62,28	66,75	89,86	77,31	82,21	50,54	46,14	45,26	61,52	58,54	59,52
Civil Administration ...	6,95,09	7,14,99	7,23,30	7,44,56	7,41,69	6,92,80	6,52,99	6,70,17	6,84,80	7,08,25	7,34,81	7,34,85	7,89,29
Civil Works	67,90	65,74	70,32	50,02	65,64	37,94	44,39	47,28	52,45	62,24	69,29	62,51	64,58
Miscellaneous	70,33	67,17	82,95	88,41	92,37	91,56	84,49	88,60	89,47	89,61	1,24,15	1,28,51	1,29,16
Extraordinary Items ...	...	...	...	...	...	...	...	58	1,16	66	25	3	...
Total Expenditure in India	10,93,04	11,35,49	11,89,15	11,92,12	12,41,78	11,39,71	10,89,72	10,84,12	11,00,64	11,28,55	12,29,26	12,46,50	13,16,78
Expenditure in England with Exchange ...	40,76	39,33	39,34	41.08	45,99	43,98	40,21	42,63	42,16	42,26	...	...	...
TOTAL EXPENDITURE ...	11,33,80	11,74,82	12,28,49	12,33,20	12,87,77	11,83,69	11,29,93	11,26,75	11,42,80	11,70,81	12,29,26	12,66,50	13,16,78

Revenue—Bihar and Orissa Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised* 1937-38	Budget* 1938-39
Taxes on Income ...	3,24	3,20	4,74	4,49	3,14	2,13	1,22	1,32	29	...		18,80	17,80
Salt	..	...	...	...		2,84	2,19	1,12	62	51	27	29	...
Land Revenue ...	1,69,21	1,68,66	1,73,98	1,77,83	1,80,04	1,76,09	1,80,85	1,77,03	1,82,67	1,78,93	1,36,14	1,37,50	1,35,00
Excise	1,97,35	1,96,40	1,89,27	1,90,82	1,42,09	1,22,07	1,20,01	1,28,79	1,39,88	1,48,73	1,16,10	1,19,00	1,02,00
Stamps	1,07,12	1,09,75	1,10,36	1,11,84	1,07,80	1,05,78	1,06,57	1,06,48	1,18,24	1,16,99	97,34	98,75	1,01,95
Forest	8,45	9,39	10,97	9,39	8,11	6,28	6,19	6,85	8,11	7,82	5,65	6,60	6,50
Registration ...	15,42	16,74	17,03	17,08	14,54	13,30	12,66	12,58	14,29	14,50	12,69	12,70	12,70
Scheduled Taxes ...	...	.	...	...	...	...	..	...		82	11,74	14,98	14,28
Customs (Share of Jute Juty) ...	...	...	...	...	...	...	...		...	...	..	..	...
TOTAL ...	5,00,79	5,04,14	5,06,35	5,10,95	4,55,72	4,28,44	4,30,69	4,29,17	4,58,60	4,62,80	3,79,93	4,03,62	3,90,28
Railway	..	...	...	...	...	...	...		...	...	...	...	...
Irrigation	24,27	22,44	20,92	17,91	17,68	21,42	22,93	20,70	24,82	22,70	21,95	19,63	18,27
Interest Receipts ...	9,33	7,29	7,72	7,56	5,92	5,32	5,16	4,65	4,61	6,17	6,96	19,24	18,43
Civil Administration ...	25,51	24,20	210	31,42	28,76	28,26	29,19	25,73	27,10	31,07	31,97	48,11	48,37
Civil Works ...	6,50	8,21	6,46	6,46	6,86	8,78	10,65	9,16	9,72	10,62	10,39	8,07	16,01
Miscellaneous ...	7,22	5,65	7,33	20,25	10,85	27,03	7,20	7,16	7,36	7,61	6,78	12,87	12,10
Contribution to the Central Government by Provincial Governments ...	...	...	...	...	...	...	...	...	..	...	...	...	...
Miscellaneous adjustment between Central and Provincial Governments ...	37	51	...	...	...	...	...	...	10,58	11,18	...	..	...
Extraordinary Receipts	...	...	...	...	1,58	...	...	...	3,12	...	...	...	...
Transfer from Revenue Reserve Fund ..	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	5,73,99	5,72,44	5,77,88	5,94,55	5,27,37	5,19,25	5,05,82	4,96,57	5,45,91	5,51,65	4,57,93	5,06,58	4,98,41
Revenue in England with Exchange ...	—2	—2	34	—1	22	22	1	..	...	...	..	...	...
TOTAL REVENUE	5,73,97	5,72,42	5,78,22	5,94,54	5,27,59	5,19,47	5,05,83	4,96,57	5,45,91	5,51,65	4,57,93	5,06,58	4,98,41

* For Bihar only. Separation of Orissa.

Expenditure—Bihar and Orissa Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised* 1937-38	Budget* 1938-39
Income Tax ...	...	...	...	...	...	...		...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	...	1	1	...	...	...
Land Revenue ...	21,39	23,34	27,50	25,72	24,63	21,80	18,99	17,14	16,20	14,71	11,20	11,68	10,79
Excise ...	19,89	19,16	18,03	18,33	18,14	15,41	14,45	14,62	16,51	17,06	12,81	12,97	13,14
Stamps ...	3,06	3,18	3,39	2,53	2,39	2,17	2,02	1,92	2,07	2,05	1,73	1,76	1,76
Forests ...	8,41	6,63	7,19	7,62	7,34	7,01	6,17	6,88	6,54	7,98	5,20	5,72	6,03
Registration ...	6,08	6,24	6,23	6,49	6,41	6,18	5,71	6,00	6,12	6,44	5,44	5,74	5,73
Scheduled Taxes ...	...	...	...	...	..	..	..	...	...	31	27	26	27
TOTAL ...	58,83	58,55	62,34	60,69	58,91	52,57	47,34	46,56	47,45	48,56	36,65	38,03	37,72
Forest and other Capital outl charged to Revenue ...	,311	1,29	1,32	1,40	1,51	62	15	17	...	...	1,64	3,54	3,60
Railways ...	...	..	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	27,64	27,41	25,76	23,49	25,47	25,94	24,41	24,07	25,57	23,98	12,76	15,43	18,17
Debt Services ...	2,43	1,93	1,28	1,82	1,99	1,95	2,20	2,00	2,76	10,25	5,87	5,88	6,25
Civil Administration ...	3,62,40	3,53,35	3,62,66	3,78,84	3,80,88	3,45,50	3,27,54	3,48,09	3,53,06	3,70,09	3,28,42	3,39,20	3,38,22
Civil Works ...	38,18	84,32	76,42	85,63	80,25	56,07	42,20	38,47	44,96	51,96	44,30	49,71	45,01
Miscellaneuos ...	40,43	37,79	32,47	34,12	32,79	36,42	34,24	25,23	52,07	53,85	51,31	53,08	50,40
Extraordinary Items ...	...	...	...	...	...	1	18	23	20	7	7	...	..
Total Expenditure in India ...	5,81,22	5,64,54	5,62,25	5,85,99	5,81,80	5,19,08	4,78,26	5,04,82	5,26,07	5,58,76	4,76,02	5,04,92	4,94,37
Expenditure in England with Exchange ...	23,78	22,57	23,02	22,43	24,33	23,46	22,22	21,64	22,16	...	...	...	...
TOTAL EXPENDITURE ...	6,05,00	5,87,11	5,85,27	6,08,42	6,06,13	5,42,54	5,00,48	5,26,46	5,48,23	5,58,76	4,76,02	5,04,92	4,94,37

* For Bihar only. Separation of Orissa.

Revenue—Government of Burma* Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	14,31	14,93	12,90	11,40	10,36	3,58	..	...	...	...	...	1,49,16	1,60,61
Salt	...	...	...	...	...	4,89	4,66	2,05	1,68	1,73	1,80	44,63	...
Land Revenue ...	5,22,93	5,35,62	5,40,38	5,27,73	2,82,77	5,75,85	3,87,58	4,77,14	4,95,17	5,14,44	4,91,90	5,09,79	5,09,24
Excise	1,32,89	1,23,68	1,33,37	1,26,94	1,07,48	80,29	84,57	80,20	85,08	88,68	89,03	87,77	90,04
Stamps	65,84	70,05	70,65	69,34	59,48	59,11	53,36	46,12	42,18	40,91	40,89	37,97	36,49
Forest	2,17,36	2,07,88	1,60,75	1,37,82	1,44,07	1,06,41	87,46	80,00	1,14,45	1,33,09	1,07,24	1,37,06	1,50,00
Registration ...	6,39	7,02	6,43	6,40	6,42	7,01	5,02	3,94	3,38	3,18	309	3,33	3,25
Scheduled Taxes ...	...	...	4,57	4,15	3,06	10,95	10,77	10,03	10,79	14,43	13,64	4,73,76	5,22,37
TOTAL ...	9,59,72	9,59,18	9,28,40	9,33,78	6,13,64	8,48,09	6,33,42	6,99,43	7,52,73	7,96 46	7,47,64	14,43,47	14,72,00
Railways	−2	−1	...		...	...	...	...	...	...	...	...	...
Irrigation	23,87	31,63	33,41	14,83	19,85	27,30	40,82	31,58	31,08	35,39	26,36	32,72	8,83
Posts and Telegraphs ...	...	...	..	...	...	...	...	...	...	...	...	1,57	−3,44
Interest Receipts ...	11,68	11,24	11,32	10,93	9,45	9,54	9,87	7,84	4,07	2,98	2,37	3,23	2,24
Civil Administration ...	36,67	44,48	49,48	54,59	52,44	49,65	47,49	30,77	48,85	46,63	46,80	45,11	47,03
Civil Works ...	13,12	21,52	24,41	8,85	16,02	15.01	10,83	12,98	59,75	−4,26	19,35	11,78	10,79
Miscellaneous ...	10,02	5,23	7,06	5,29	9,31	9.49	29,06	21,75	6,03	7,76	4,61	16,55	15,57
Contribution to the Central Government by Provincial Governments	−30,23	...	...	...	...	..	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Government	...	−58	...	...	...	...	...	...	18,98	18,00	18,00	20,02	23,05
Extraordinary Receipts...	3,20	−61	44	2,62	1,17	24	21	1,21	31	—18	6	9	4,76
Transfers from Revenue Reserve Fund ...	...	...	...	..	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	10,06.03	10,72,08	10.54,52	10,39,77	7,21,89	9,59.32	7,80,75	8,25,61	9,21,80	9,02,98	8,65,19	15,74,54	15,80,83
Revenue in England with Exchange ...	1	1	3	6	45	25	12	...	...	...	...	...	...
TOTAL REVENUE ...	10,06,04	10,72,09	10,54,55	10,80,83	7,22,34	9,60,07	7,80,87	8,25,61	9,21,80	9,02,78	8,65,19	15,74,54	15,80 83

* Separated from India since 1st April 1937.

15

Expenditure—Government of Burma*

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	10,53	10,64
Land Revenue ...	67,61	65,33	64,12	61,73	58,33	60,40	52,40	53,59	53,96	56,92	55,56	56,02	55.45
Excise	22,18	22,13	22,93	22,59	24,20	21,14	18,96	19,43	17,56	17,80	18,61	18,70	19,71
Stamps	1,50	1,73	1,76	1,59	1,39	1,29	1,25	1,06	93	1,00	92	98	89
Forest	79,03	75,01	60,13	65,04	64,03	−18,89	59,72	1,12,58	39,43	53,50	59,52	59,25	60,68
Registration ...	1,68	1,81	1,87	1,83	1,87	1,80	1,61	1,62	1,37	1,29	133	1.33	1,37
Scheduled & other Taxes ..	...	...	...	4	3	2	2	5	1	116	68	14,61	17,06
TOTAL ..	1,72,05	1,66,11	1,50,86	1,52,92	1,44,85	65,76	1,33,96	1,88,33	1,13,26	1,36,67	1,36,62	1,59,49	1,65,80
Forest and other capital outlay charged to revenue	8,41	9,06	14,35	7,69	6,49	−17,15	19	−12,87	13,53	25	60	30,98	31,64
Railways	−4,70	...	...	...	...	...	...	...	...	..	...	1,04	16,34
Irrigation	57,80	60,22	43,14	36,04	36,77	...	28.59	28,13	26,82	34,87	32,78	...	3,(5
Posts and Telegraphs ...	...	...	...	...	...	...	...	...	...	...	...	4.76	
Debt Services ...	−25,11	−25,48	−20,73	−21.64	−16,09	5,58	13,23	51,99	21,08	19,63	18,98	1,80,44	1,68.90
Civil Administration ...	5,52,44	5,77,10	5,87,40	5,71,52	5,51,88	5,78,74	5,19,38	4,99,90	4,73,94	4,95,28	4,96,14	5,54,14	5,87,84
Civil Works ..	2,17,60	2,51,21	2,50,21	2,11,64	2,10,78	1,11,40	91,39	85,95	74,50	90,73	97,29	1,23,82	1,32,22
Miscellaneous ...	75,27	89,55	62.31	78,75	82,42	83,04	70,35	70,29	71,71	98,25	1,03,92	1,06,50	1,69,82
Extraordinary Items ...	31,61	11,63	1.52	28	...	2	4	...	13	...	1	...	...
Total Expenditure in India	10,85,57	11,39,39	10,89,06	10,37,20	10,17,01	8,29,39	8,57,13	9,11,72	7,94,47	8,75,18	8,86,84	11,63.11	12,75,61
Expenditure in England with Exchange ...	56,38	57,31	63,91	61.77	60,37	55,07	51,44	50,80	52,40	...	...	...	...
TOTAL EXPENDITURE ...	11,41,75	11,96,70	10,52,97	10,98,97	10,77,38	8,84,46	9,08,57	9,62,52	8,47,17	8,75,18	8,86,34	11,63,11	12,75,61

* Separated from India since 1st April 1937.

Revenue—Government of the Central Provinces and Berar Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	2,18	1,72	2,23	2,74	2,65	8	...	...	. .	...	...	6,90	6,40
Salt	...	...	...	...	...	1	1	...	...	...	...	...	...
Land Revenue ...	2,32,88	2.45,26	2,19,31	2,04,99	2,18,59	2,10,63	2,44,66	2,24,16	2,34,78	2,44,55	2,54,46	2,40,43	2,49,48
Excise	1,35,45	1,20,67	1,22,76	1,24,45	86,27	65,56	57,61	57,04	58,80	(0,22	63,80	68,46	63,60
Stamps	61,45	65,20	69,72	67,18	59,19	55,55	57,22	58,03	53,63	52,00	50,22	42,00	45,00
Forest	53,21	50,78	54,46	59,97	51,12	44,47	42,90	44,06	47,91	49,89	47,64	50,27	49,19
Registration ...	6,48	6,57	7,30	7,00	5,35	4,79	5,10	5,04	4,91	4,85	4,94	5,75	7,00
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	3,66	3,99	4,65	9,65
TOTAL ...	4,91,65	4,90,20	4,75,78	4,67,33	4,23,17	3,81,09	4,07,50	3,88,33	4,00,03	4,14,67	4,25,05	4,18,46	4,30,32
Railways	...	...	...	...	...	...	...	...	...	...	.	...	...
Irrigation	1,92	1,23	−18	−26	3,20	−1,35	−1,47	1,36	1,95	3,80	4,21	3,75	1,64
Interest Receipts ...	2,49	3,77	3,82	2,86	4,18	3,22	4,72	4,00	4,26	3,58	3,98	4,22	4,37
Civil Administration ...	20,15	21.58	22,81	22,65	22,13	24,04	22,16	22,33	22,66	19,78	20,15	22,90	25,11
Civil Works	5,10	5,26	4,90	5,04	5,10	5,99	9,83	7,78	13,87	13,55	13,01	10,85	14,68
Miscellaneous	7,67	17,20	28,53	30,22	12,08	6,44	6,75	6,34	5,30	6,33	5,03	7,33	5,87
Contribution to the Central Government by Provincial Government	−22,00	...	...	...	...	...	.	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	−41	27	...	...	...	...	...	...	..	...	...	. .	...
Extraordinary Receipts ...	4 5	26	18	34	13	25	2	11	9	5	...	...	...
Tranfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	. .
Total Revenue in India ...	5,07,02	5,39,77	5,35,48	5,28,18	4,69,99	4,19,67	4,49,51	4,30,23	4,42,57	4,61,76	4,71,43	4,67,51	4,81,99
Revenue in England with Exchange ...	...	...	4	6	7	28	28	...	...	...	...	...	...
TOTAL REVENUE	5,07,02	5,39,77	5,35,52	5,28,24	4,70,06	4,19,95	4,49,79	4,30,23	4,42,57	4,61,76	4,71,43	4,67,51	4,81,99

Expenditure—Government of the Central Provinces and Berar Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	..	...
Land Revenue ...	26,64	28,74	29,22	23,91	28,67	22,37	18,89	17,98	18,13	18,60	18,17	18,30	18,15
Excise	17,85	14,75	12,93	11,43	11,70	9,30	8,12	10,00	9,25	9,61	9,02	9,51	8,94
Stamps	1,89	1,86	1,79	1,69	2,49	1,16	1,25	1,15	1,17	1,16	97	96	95
Forest	36,14	36,56	38,22	38,64	38,31	34,19	32,49	33,73	34,32	36,54	37,74	37,66	35,29
Registration ...	2,17	2,21	2,20	2,22	2,16	1,95	1,74	1,88	1,89	1,94	1,96	1,98	2,04
Scheduled Taxes ...	..	...	...	...	...	...	...	...	...	40	43	44	68
TOTAL ...	84,69	84,12	84,36	82,89	83,33	68,97	62,49	64,74	64,76	68,25	68,29	68,85	66,05
Forest and other Capital outlay charged to Revenue ...	2,52	2,00	2,21	1,12	1,29	34	24	26	..	...	...	...	...
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	28,00	27,48	29,32	29,59	30,61	31,30	32,10	32,40	30,31	29,22	27,84	26,16	26,18
Debt Services ...	23	4,43	3,86	—1,26	30	2,91	16,36	21,55	7,53	8,07	9,92	—6,33	−2,28
Civil Administration ...	2,66,11	2,62,18	2,79,92	2,70,51	2,71,01	2,48,35	2,30,16	2,36,46	2,38,10	2,55,11	1,53,40	1,88,76	1,78,74
Civil Works	1,02,12	1,09,93	96,57	81,68	69,92	51,87	51,18	52,86	56,70	62,28	59,42	68,01	56,91
Miscellaneous ...	71,33	29,06	39,80	56,40	37,88	34,69	38,29	41,19	43,20	54,84	57,11	56,54	58,92
Extaordinary Items ...	9	...	...	...	...	...	...	...	...	...	...	...	6,71
Total Expenditure in India	5,55,09	5,19,20	5,35,04	5,20,93	4,94,34	4,37,93	4,30,82	4,49,46	4,40,60	4,77,77	4,82,23	4,75,67	4,81,18
Expenditure in England with Exchange ...	19,29	18,47	18,97	21,54	19,89	19,72	18,61	19,45	19,71	...	...	...	...
TOTAL EXPENDITURE ...	5,74,38	5,37,67	5,55,01	5,42,47	5,14,23	4,57,65	4,49,43	4,68,91	4,60,31	4,77,77	4,82,23	4,75,67	4,81,18

Revenue—Government of Assam Since 1926-27

(*In Thousands of Rupees*)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ...	..	...	...	...	...	2,42	1,69	1,72	3,23	2,56	...	...	3,16
Salt	4,92	5,62	6,63	5,53	4,34	64	73	25	14	12	7	10	10
Land Revenue	1,06,72	1,12,79	1,17,13	1,20,74	1,15,26	1,20.83	1,17,92	1,10,70	1,18,11	1,25,30	1,29,76	1,26.00	1,20,70
Excise	71,93	70,94	66,39	66,23	58,37	52,34	40,42	34.61	82,05	35,24	35,90	36,51	35,75
Stamps	23,56	23,50	22,01	19.98	19,49	19,16	18,01	17,26	17,2[illegible]	17,43	18,29	19,00	19,67
Forest	31,67	36,14	37,68	35,20	12,63	19,27	16,16	14,57	14,30	14,84	16,85	16,53	16,79
Registrations	2,28	2,30	2,32	2,09	11,97	1,92	1,63	1,53	1,59	1,67	3,06	15,25	14,98
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	2,41,08	2,51,29	2,52,16	2,49.77	2,22,06	2,16,53	1,96,56	1,80,66	1,86,63	[illegible]7,16	2,07,09	2,15,07	2,07,73
Railways	17	12	...	...	...	...	...	...	...	...	...	...	...
Irrigation	...	...	...	...	...	...	...	...	...	...	...	...	..
Interest Receipt ...	1,02	1,59	1,57	2,74	95	1,10	1,13	67	28	53	44	49	55
Civil Administration ...	8,53	9,03	12.09	12,70	13,10	12,80	11,38	11,40	11,39	12,56	12,41	14,41	13.92
Civil works	4,30	4.21	4,63	4,48	5,90	7,92	9,55	6,63	8,60	...	21,93	16,93	8,27
Miscellaneous	3,34	2,95	3,12	2,25	2,41	1,62	1,04	1,47	1,54	1,89	1,62	1'77	1,77
Contribution to the Central Government by Provincial Governments ...	—15,00	...	...	..	...	...	...	...	...	...	.	...	...
Miscellaneous adjustments between Central and Provincial Government ...	5	14	...	...	...	...	...	...	3,5[illegible]	8,18	9.86	30,00	30,00
Extraordinary Receipts ...	...	...	...	...	...	...	...	.	.	.	..	...	...
Transfers from Revenue Reserve Fund ..	...	...	...	...	...	...	...	...	...	...	...	...	..
Total Revenue in India ...	2,43,49	2,69,36	2,73,62	2,71,94	2,44,42	2,40,02	2,19,66	2,00,83	2,16,99	2,38,79	2,53,35	2,78,67	2,64,24
Revenue in England with Exchange	...	..	8	1	1	3	1	...	...	...	5	...	...
TOTAL REVENUE ...	2,43,49	2,69,36	2,73,70	2,71,95	2,44,43	2,40,05	2,19,67	2,00,83	2,17,00	2,38 79	2,53,40	2,78,67	2,64,24

Expenditure—Government of Assam Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	18,09	19,10	19,07	20,55	21,88	20,61	18,82	17,81	17,32	16,89	16,48	16,20	15,81
Excise	10,99	7,90	9,60	9,15	8,48	6,00	6,09	5,13	4,99	5,37	5,27	4,74	4,41
Stamps	92	97	94	64	59	46	40	40	40	42	45	44	42
Forests	13,27	12,92	19,53	20,43	19.50	15,46	13,65	11,97	12,11	10,95	11,73	11,74	11,68
Registration ...	1,41	1,52	1,57	1,74	1,70	1,01	1,47	1,46	1,43	1,58	1,56	1,37	1,42
Scheduled Tax ..	...	...	...	...	...	...	...	...	...	...	7	1,56	2,85
TOTAL ...	44,68	42,49	50,71	52,51	52,15	44,14	40,44	36,77	35,43	35,21	35,56	36,05	36,09
Forest and other capital outlay charged to Revenue	1,03	1,15	1,70	1,77	1,66	66	45	...	...	...	...	...	...
Railways	35	53	58	59	60	50	48	47	44	...	44	...	...
Irrigation	64	98	1,13	90	71	63	46	55	48	44	62	60	64
Debt Services ...	−67	−75	−86	−1,02	−65	2,42	4,73	6,21	4,54	5,70	16.82	3,18	4,40
Civil Administration ..	1,18,19	1,24,61	1,29,88	1,36,58	1,39,59	1,31,07	1,21,81	1,29,79	1,56,40	1,37,18	1,39,90	1,51,25	151,78
Civil Works	49,43	58,05	67,64	77,17	57,57	41,18	39,87	35,05	46,16	56,15	61,08	54,10	44,58
Miscellaneous ...	18,59	14,78	14,85	18,52	16,54	16,62	17,74	16,00	2,95	24,39	26,76	36,23	31,87
Extraordinary Items ...	...	...	...	...	...	...	5	55	22	...	3	...	...
Total Expenditure in India	2,32,24	2,41,84	2,65,63	2,87,02	2,68,17	2,37,22	2,26,08	2,25,39	2,66,62	2,59,07	2,81,21	2,81,41	2,68,86
Expenditure in England with Exchange ...	10,97	9,68	9,54	10,70	10,76	10,51	10,39	10,48	...	...	10,98	...	...
TOTAL EXPENDITURE ...	2,43,21	2,51,52	2,72,17	2,97,72	2,73,98	2,47,73	2,36,47	2,35,87	2,66,62	2,59,07	2,92,19	2,81,41	2,68,86

Revenue—Government of the Punjab Since 1926-27

(In Thousands of Rupees.)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ..	4,02	4,83	4,02	3,60	2,00	...	...	...	...	...	...	11,04	...
Land Revenue ...	3,21,26	3,00,15	2,77,93	2,57,76	2,69,43	2,22,46	2,67,65	2,50,40	2,98,13	2,78,34	2,96,74	2,92,43	2,93,55
Excise	1,24,31	1,17,73	1,21,36	1,15,07	1,11,52	94,50	92,10	94,36	1,00,20	99,71	1,03,58	1,07,84	1,04,11
Stamp	1,13,27	1,17,94	1,21,03	1,15,08	1,10,02	1,10,50	1,14,51	1,08,15	1,02,92	92,16	89,85	90,59	90,74
Forest	39,08	31,94	35,28	31,58	23,85	22,44	19,52	19,48	18,85	19,53	22,46	23,83	24,20
Registration	9,11	9,03	9,21	9,33	8,38	8,15	9,43	8,89	9,26	9,24	9,31	9,52	9,54
Scheduled Taxes ...	...	...	...	...	...	...	...	...	6,53	7,50	8,58	10,26	10,27
TOTAL ..	6,11,05	5,81,67	5,68,83	5,32,42	5,25,20	4,58,05	5,03,21	4,81,28	5,35,39	5,06,48	5,30,52	5,45,01	5,32,41
Railways	...	...	...	...	...	..	...	...	...	...	...	...	...
Irrigation	3,80,08	0,48,33	3,74,39	3,94,45	3,61,59	3,80,83	3,67,88	4,42,21	4,01,76	4,27,15	4,41,84	4,59,17	4,51,43
Interest Receipts ...	8,79	10,39	8,59	9,70	10,02	9,53	9,88	9,49	10,62	10,08	9,34	4,43	3,97
Civil Administration ...	45,50	52,75	574,9	60,23	54,93	65,59	64,71	65,80	61,66	63,14	66,79	75,44	80,30
Civil Works ...	4,89	8,60	6,35	7,01	9,74	17,92	19,78	19,45	20,25	13,52	32,23	35,76	49,66
Miscellaneous ...	26,72	23,35	27,54	35.70	38,03	26,78	21,13	19,79	19,63	17,92	20,83	30,55	20,69
Contribution to the Central Government by Provincial Governments	—85,73	...	...	...	..	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments ...	..	28	...	...	...	...	..	...	...	...	...	...	...
Extraordinary Receipts ...	84,69	1,16,05	72,24	73,27	46,46	36,09	37,28	34,61	16,40	22,59	25,51	31,04	30,59
Transfers from Revenue Reserve Fund ...	10,00	..	..	15.00	9,86	...	...	...	...	...	...	..	...
Total Revenue in India ...	10,85,99	12,06,43	11,15,43	11,27,78	10,55,83	9,94,79	10,28,87	10,72,63	10,66,26	10,60,88	11,27,06	11,84,40	11,72,15
Revenue in England with Exchange	—28	—6	26	—59	23	1,71	5	...	...	...	...	...	...
TOTAL REVENUE ...	10,85,71	12,06,37	11,15,69	11,27,19	10,56,51	9,96,50	10,28,92	10,72,63	10,66,26	10,60,88	11,27,06	11,84,40	11,72,15

Expenditure—Government of the Punjab Since 1926-27
(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-1937	Revised 1937-38	Budget 1938-39
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	42,99	41,59	40,95	40,87	39,63	37,28	35,47	36,32	36,91	38,48	39,87	41,81	43,31
Excise ...	15,22	15,49	11,71	13,73	12,74	11,57	9,33	9,85	10,42	11,01	10,72	11,38	11,54
Stamps	2,40	2,32	2,43	3,46	1,87	1,86	2,02	1,69	1,78	1,57	1,64	1,65	1,63
Forest	26,80	25,52	24,93	24,73	23,38	20,99	18,12	19,00	21,25	21,17	21,47	23,03	23,20
Registration ...	99	1,03	1,04	99	96	87	76	73	74	73	70	74	73
Scheduled Taxes ...	..	...	...	...	...	...	...	...	51	78	1,16	1,49	1,55
TOTAL ...	88,40	85,95	81,06	83,78	78,58	72,52	65,74	67,59	71,61	73,74	75,56	80,10	81,96
Forest and other Capital outlay charged to Revenue	4,22	4,02	4,71	4,95	...	...	3,98	5,62	2.85	10,30	12,88	13,09	12,63
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	2,56,63	2,37,34	1,50,62	1,31,46	1,37,53	1,47,09	1,42,17	1,45,32	1,42,22	1,34,05	1,37,08	1,43,25	1,48,60
Debt Services ...	−10,70	−22,89	−22,05	−16,27	−11,86	−8,84	8,68	−5,13	−10,52	−2,69	−13,28	−8,70	−23,69
Civil Administration ...	5,44,69	5,69,67	6,17,05	6,50,91	6,39,57	5,85,08	5,49,11	5,38,45	5,78,39	6,03,51	6,07,99	6,34,35	6,56,29
Civil Works ...	1,49,25	2,05,99	2,45,00	1,33,11	1,44,73	1,24,85	1,20,00	1,21,43	1,23,79	1,25,30	1,48,86	1,33,53	1,59,24
Miscellaneous ..	56,79	57,16	46,62	54,95	70,70	77,25	81,17	93,53	1,01,82	1,06,46	1,14,46	1,64,59	1,14,02
Extraordinary Items ...	...	...	...	..	..	...	...	...	...	...	...	..	...
Transfer to Revenue Reserve Fund ...	20,00	15,00	...	..	...	...		...	...	...	...	...	...
Total Expenditure in India ...	11,09,28	11,52,24	11,23,01	10,92,89	10,59,25	9,98,45	9,70,85	9,71,81	10,10,16	10,50,67	10,83,55	11,60,21	11,49,05
Expenditure in England with Exchange ...	37,42	34,29	38,19	39,36	39,49	39,59	35,56	37,68	38,50	...	...	...	...
TOTAL EXPENDITURE ...	11,46,70	11,86,53	11,61,20	11,32,25	10,98,74	10,38,04	10,06,41	10,09,49	10,69,73	10,50,67	10,83,55	11,60,21	11,49,05

Revenue—Government of Sind

(In Thousands of Rupees)

	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income ..	...	...	...
Land Revenue ...	40,57	33,65	31,52
Excise	34,95	33,44	31,00
Stamps	18,85	17,63	17,37
Forest	7,28	7,17	7,08
Registration ...	2,01	2,00	2,00
Scheduled Taxes ...	4,69	4,87	4,89
Total ...	1,08,35	98,76	93,86
Forest and other capital outlay charged to Revenue	3,58	3,38	3,38
Railways	...	...	...
Irrigation	86,37	55,09	54,12
Debt Services ...	3,70	5,72	3,87
Civil Administration ...	9,37	9,98	10,73
Civil Works ...	3,37	7,44	12,27
Miscellaneous ...	1,70	1,88	1,94
Provincial, contribution Miscellaneous adjustments between Central and Provincial Governments ...	1,08,00	1,10,00	1,05,09
Extraordinary Items ...	75,91	74,79	75,50
Total Revenue in India...	4,00,35	3,67,04	3,60,67
Revenue in England with Exchange ..			
Total Revenue ...	4,00,35	3,67,04	3,60,67

Expenditure—Government of Sind

(In Thousands of Rupees)

	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax ...	...	...	...
Land Revenue ...	18,24	17,66	17,56
Excise	3,29	3,40	3,28
Stamps	40	44	42
Forests	3,66	3,51	3,68
Registration ...	79	81	84
Scheduled Taxes ...	18	20	22
Total ...	26,56	26,02	26,00
Forest and other capital outlay charged to Revenue	...	...	. .
Railways	...	...	...
Irrigation	1,65,24	1,37,07	1,34,76
Debt Services ...	7,74	5,06	4,82
Civil Administration ...	1,24,39	1,33,98	1,36,61
Civil Works ...	12,38	22,63	29,86
Miscellaneous ...	23,73	23,67	27,07
Provincial contribution, Miscellaneous adjustments between Central and Provincial Governments ...	...	..	...
Extraordinary Items ...	...	...	...
Total Expenditure in India	3,60,04	3,48,48	3,59,12
Expenditure in England with Exchange ...			
Total Expenditure	3,60,04	3,48,43	3,59,12

Revenue— Government of North-West Frontier Province.

(In Thousands of Rupees.)

	1936-37	Revised 1937-38	Budget 1938-39
Income Tax ...		1,38	1,28
Land Revenue ...	21,67	20,11	20.00
Excise	9,09	8,67	9,28
Stamps	8,14	7,91	7,54
Forest	4,36	5,00	4,96
Registration	68	74	75
Scheduled Taxes ...		1,07	2,20
Total ...	12,51	14,41	12,47
Railways			
Irrigation	73	78	66
Interest Receipts ..	10,24	7,99	8,76
Civil Administration ...	6,47	10,50	9,99
Civil Works	1,44	2,06	2,16
Miscellaneous	1,00,00	1,00,00	1,00,00
Contribution to the Central Government by Provincial Governments ...			
Miscellaneous Adjustments between Central and Provincial Governments ...			
Extraordinary Receipts ...			
Transfers from Reserve Fund			
Revenue in England with Exchange			
TOTAL REVENUE	1,75,33	1,80,62	1,80,05

Expenditure—Government of North-West Frontier Province.

(In Thousands of Rupees.)

	1936-37	Revised 1937-38	Budget 1938-39
Income-Tax ...			
Land Revenue	3,52	3,48	3,90
Excise	80	79	82
Stamps ...	20	22	24
Forests	3,25	4,00	393
Registration	10	11	10
Scheduled Taxes ...	—	13	20
Total ...	7,87	87,3	919
Forest and other capital outlay charged to Revenue	11,20	13	18
Railways	...	..	...
Irrigation	3,44	3,88	509
Debt Services	63	1,56	236
Civil Administration . .	1,05,98	,11,48	1,18,41
Civil Works	33,94	41,41	41,57
Miscellaneous	10,75	1,525	14,87
Extraordinary Items ...	602		
Total Expenditure in India	1,75,33	1,80,62	1,80,05
Expenditure in England with Exchange ...			
TOTAL EXPENDITURE ...	1,75,33	1,80,62	1,80,05

Railway Budget.

Review of results from 1925-26 to 1937-38 Commercial and Strategic lines together.

(Figures in Lakhs of Rupees)

	Mileage open	Gross Traffic receipts	Ordinary operating expenses	Appropriation to Depreciation Fund	Net Traffic Receipts	Net Miscellaneous charges (including surplus profits payable to Companies) after deducting miscellaneous receipts	Net Revenue	Interest charges	Surplus	Paid as contribution to general revenues	Transferred to Railway Reserve
1925-26	27,090	98,94	52,99	10.67	35,28	—1,19	34,09	24,81	9,28	5,49	3,79
1926-27	27,664	98,42	52,89	10.89	34,64	—1,27	33,37	25,87	7,50	6,01	1,49
1927-28	28,086	1,03,43	53,06	11,38	38,99	—87	38,12	27,27	10.85	6,28	4,57
1928-29	29,111	1,03,73	54,22	12,00	37,51	—37	37,14	29,33	7,81	5,23	2,58
1929-30	30,878	1,02,70	55,59	12.59	34.52	—2	34.50	30,46	4,04	6,12	—2,08
1930-31	31,197	95,10	54,39	13,07	27,64	—11	27,53	32,72	—5,19	5,74	—10,98
1931-32	31,640	86,63	49,31	13,46	23,86	1	23,87	33.07	—9,20	...	—4,95
1932-33	31,642	84,43	49.08	13,77	21.58	1,10	22,63	32,91	—10,23	...	...
1933-34	31,644	86,63	49,50	13,56	23,57	1,05	24,62	32,58	—7,96	...	...
1934-35	31,619	90,20	50,27	13,72	26,21	53	26,74	31,80	—5,06	...	...
1935-36	31,732	90,65	50,87	13.25	26,53	87	27,40	31.39	—3,99	...	...
1936-37	31,739	95,49	50,23	13,15	32,11	—9	32,02	30,81	1,21	...	...
Revised Estimate* 1937-38	29,721	94,25	49,54	12,57	32,14	7	32,07	29,24	2,83	2,83	...
Budget Estimate 1938-39	29,721	94,25	49.98	12,57	31,70	17	31.87	29,31	2,56	2,56	...

NOTE 1—The balance of the loss in 1931-32 and the total loss in the following years have been, or will be, met by temporary borrowings from the Depreciation Fund.

NOTE 2—Credits for Material released from works not charged to revenue which were taken in reduction of operating expenses up to 1931-32.

FROM 1932-33 onwards they have been added to receipts and are included in net miscellaneous receipts. The amounts involved are as follows:—in 1932-33, and 1933-34, Rs. 1,19 lakhs each, in 1934-35, Rs. 90 lakhs, and in 1935-36, Rs. 1,10 lakhs. From 1936-37, they are taken in reduction of expenditure met from the Depreciation Fund.

NOTE 3—Working expenses ware reduced in 1930-31 by Rs. 1,66 lakhs by a credit from the Depreciation Fund for correction of past accounting adjustments, and in 1924-25, by Rs. 1,79 lakhs by certain abnormal refunds of expenditure in previous years.

*Excluding Burma Railways.

Revenue and Expenditure of the Central Government

The following statement gives the revenue and expenditure of the Central Government since 1921-22. The sterling amounts are converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London in each year. The rate of conversion has been assumed to be 1s. $6\frac{1}{32}$d. in 1933-34 and as usual 1s. 6d. in 1934-35. The figures given below are in Lakhs of Rupees.

YEAR	(1) Revenue excluding transfer from Revenue Reserve Fund	(2) Expenditure excluding transfer to Revenue Reserve Fund and provision for Reduction or Avoidance of Debt and items shown in (3)	(3) Transfer to Earthquake Fund and Special Subventions to Provinces	(4) Balance of (1) and (2) Plus (3)	(5) Provision for Reduction or Avoidance of Debt and Transfers to or from Revenue Reserve Fund	(6) Final Surplus (+) Deficit (−)
1921-22	1.15.21	1,38,40	...	23,19	4,46	-27,65
1922-23	1,21,41	1,31,88	...	−10,47	4,55	15,02
1923-24	1,33,17	1,27,16	...	+6,01	3,62	+2,39
1924-25	1,38,04	1,28,58	...	+9,46	3 78	+5,68
1925-26	1,33,33	1,25,05	...	+8,28	4,97	+3,31
1926-27	1,31,70	1,23.77	...	+7,93	4,97	...
1927-28	1,25,04	1,22,22	...	+2,82	5.04	...
1928-29	1,28,24	1,23.88	...	+4,36	5,42	-32
1929-30	1,32,69	1,26 68	...	+6,01	5,74	+27
1930 31	1,24,60	1,30,04	...	−5,44	6,14	−11,58
1931-32	1,21,64	1,26,50	...	−4,86	6,89	+11,75
1932-33	1,26,70	1,18,01	2,72 (a)	+8,39	6.84	+1,55
1933 34	1,20,37	1,14,65	4,60 (b)	+3,00	3,00	...
1934-35	1,25,10	1,17,14	45 (c)	+3,36	3,00	36
1935-36	1,22,01	1,16,72	...	+4,84	3,00	...
1936-37	1,19,21	1,18,00	...	+1,21	3,00	−1,79
(Revised) 1937-38	1,21,49	1,19.57	...	+3,00	3,00	...
(Budget) 1938-39	1,21,53	1,19,18	...	+2,35	2,25	+10

(a) After adding 2,96 transferred to Revenue Reserve Fund.
(b) After deducting 2,22 transferred from Revenue Reserve Fund.
(c) After ded ucting 74 transferred from Revenue Reserve Fund.

CURRENCY & MONETARY SECTION:

INDIAN FINANCE IN 1937-38

Unlike its predecessors, the fiscal year 1937-38 is notable for the disturbed course of world economy which was duly reflected in Indian economic developments. As was observed in the last issue of the Year-Book a year ago, the close of 1936-37 was on a distinctly jubilant note, but 1937 had not far to go before the storm which had already been brewing since April 1937 burst over its head, bringing in its wake a flood of pessimism. After September 1937, the recession, which at the moment of writing has persisted for nearly a year, began slowly to spread its roots into all countries and though this recession had its origins more in the political vicissitudes of the New Deal philosophy than in the ordinarily understood economic factors making for slumps, the barometer for business was hardly set fair and presaged a gloomy future. The calender year 1937 closed thus on the most lugubrious note, with few hopes except those kindled by the insistence of academic economists that the slump was all too artificial and that, therefore, its lifting was only a question of time. International finance, passed through several phases, ranging from the brightest in the first quarter of 1937 to the gloomiest at the close of 1937, when an acute dollar scare made the future of world currencies murky in the extreme. The franc exchange was the worst sinner in this respect, successive governments being unable to grapple with the problem of its overvaluation. The *Front Populaire* ministries, despite their being ably by sagacious M. Blum had no better fate, with the result that the influence of the *Front Populaire* was diminishing. Continental currencies, like the guilder and the belga, did not escape their share of mis fortunes for which the political disturbances in Europe caused by the Fascist States were responsible. This rapid outline of the happenings of 1937 will be seen to reveal the significant fact that 1936-37 was the last of the years when world economy passed through settled conditions. The manifestations of political and economic instability have, since the last quarter of 1937, been alarming in the extreme. While political tremors emanated from Europe, America became the epicentre of economic instability. Rocked by both, world economy has made but tardy progress from the encouraging levels attained at the peak of the unfinished boom of 1936-37.

The Indian money and exchange markets, however, were characterised by an even tenor on the whole; and though there was no resisting the damping effects of the recession, neither the money market nor the exchange market was unduly affected. Or rather, so it seemed to the observer then. This qualification arises from the need for the recognition--which, so far as 1937 is concerned, is only posthumous—that the steadiness of the rupee sterling exchange was somewhat illusory, and that the illusion was bound to be destroyed soon. The weakening of the rupee-rate had, in fact, been proceeding slowly but entirely unperceived. The fiscal year 1937 passed without really witnessing any unusual pressure on the rupee exchange. But meanwhile, the enormous decrease in the favourable balance of trade of this country and the dwindling volume of gold exports--which have been incontestably the prop of the rupee rate all these years—had done the trick and bankers, businessmen and economists were, all of a sudden, confronted with the spectacle of a sagging rupee which few had bargained for. This happened in May 1938, and is, therefore, strictly outside the scope of this review, which purports to be a review of the fiscal year 1937-37 only. Here, the subsequent fall of the rupee-exchange from its previous levels is only mentioned to bring out the dramatic irony that lay hid in the events of 1936-37. The former year may, to adopt a dramatic metaphor, best be described as the Fourth Act of a drama, whose Fifth Act was to see the denouement as well as the crushing disillusionment of long-cherished beliefs.

In a country like India whose foreign indebtedness is large, large sums have to be remitted to Britain by way of interest as well as on account of past and present

services rendered in respect of administration or defence. Present estimates of the external indebtedness put the figure at £380 millions, while the total of British capital invested in India may be anything like £800 millions. In the last five years, thanks to the gold flow outward, there has been a large reduction in indebtedness and the Reserve Bank has been a steady accumulator of sterling balances in London and a buyer of securities abroad. But the latter half of 1937 had a different experience in store for the authorities. In fact, with the deepening of the recession, the exchange market was often dull and it was only with great difficulty that the Government were able to put through their remittance programme through suitable purchases of sterling. As a matter of fact, the purchases of sterling by the government within the last three years make interesting reading and are eloquent of the conditions that obtained. In 1935-36, total purchases of sterling by the Reserve Bank of India amounted to £34.425 millions; in 1936-37, they totalled £53.532 millions, i.e., when the trade cycle was on the upswing. In 1937-38, the figure was just £25.140 millions. The bottom of this dwindling record of sterling purchases will, however, be seen in all its grotesque reality only at the end of the year 1938-39, since the Reserve Bank has, owing to the break in the rupee-rate, had to discontinue purchases of sterling. The weakness of the rupee exchange has been the signal for the revival of agitation in favour of the lower ratio. Through the entire period of the depression and the post-depression years, India has maintained a stable valuation of her currency in terms of sterling. Ever since 1926, the rupee has been well maintained at 18d. and since the departure of sterling from the gold standard, the rupee has been maintained more or less within this parity. This policy of the Government of India has been the target of much criticism. For while the countries in the so-called sterling group derived immense economic advantage when the pound suffered depreciation in terms of gold and when they subsequently depreciated their currencies in terms of sterling, India was less fortunate than the other raw-material producing countries, having been forced to suffer the tribulations which naturally arise from an overvalued currency. The agitation for devaluing the rupee, which went on in 1937, seems likely to be taken up by the provincial governments. Examining the international background we find, that France has got rid of the overvaluation that was hanging around the neck of the franc like a millstone. As the Continental currencies, too, have been devalued from their pre--1936, levels, the case for the devaluation of the rupee is on strong grounds, especially as trade figures continue to tell of the burdens of an overvalued currency. The ensuing months of 1938 will show how far the pessimism regarding the rupee is justified.

As regards trade, the merchandise favourable balance of trade was comparatively smaller in 1937, although the recovery in foreign trade in the first quarter of the year was marked. The total exports, including re-exports aggregated Rs. 210.23 crores during 1937 as against Rs. 185.25 crores for the same period in 1936. Total imports of foreign merchandise on the other hand increased from Rs. 124.48 crores in 1936, to Rs. 164.26 crores in 1937, i.e., a rise of over 32 per cent., leaving a favourable balance of trade in merchandise of Rs. 45.9 crores in 1937 as against Rs. 60.7 crores in 1936. But the merchandise balance of trade in favour of India was supplemented by exports of gold to the tune of Rs. 18.28 crores. Making due allowance for Treasure imports amounting to Rs. 8.7 crores there is left a trade balance in Treasure and Merchandise of about Rs. 55.51 crores. Against this, we have to consider the fact that, for India with a debt of Rs. 368 crores and depending so largely on foreign services in banking, insurance shipping, etc., these invisible items reduce this balance. And again, as about £35 million form the annual charges for disbursement through the Secretary of State, they reduce our favourable balance of trade still further. Gold outflow cannot much longer be depended upon to help India in meeting her external obligations. It is already dwindling fast. The total exports of gold during 1937 were valued at Rs. 18.28 crores as compared with Rs. 33.16 crores in 1936. This large shrinkage is an unmistakable pointer that gold exports will gradually cease to affect the balance of payments position.

However, the larger volume of merchandise exports and the continuance of gold exports enable government to buy large blocks of sterling (especially in the first four months of the year) at favourable rates in the open market. The amounts tendered were so large that the weekly offer was raised to £2 million for the second time since the system was instituted in 1927. (£2 million tenders were invited for the first time in September 21, 1927.) By April 1937, government had accumulated £25,470,000 at 18 1/8d. After that commences the less heartening side of the picture. The fall in commodity prices after April affected the export trade and the volume of sterling tenders grew leaner. In fact, only £6,593,000 were accepted by government at 18 1/8d. in the last eight

months of the year as compared with £25.47 million between January and April 1937. The large acquisition of sterling balances in the first quarter of 1937 enabled the Government of India to have an opening balance of about £12½ million on April 1, 1937 and in the next eight months £12 million were remitted. The total net requirements of the Government of India for remittance purposes for the year 1937-38 were about £35.60 million, so that only about £11 million were necessary at the close of the fiscal year. Between January and March 1938, the Government were able to purchase just £12 millions, so that they fulfilled their programme with little to spare. This is because conditions in the latter half of year were not quite favourable from the point of view of remittances, with exports of both gold and merchandise decreasing.

The sale of Treasury Bills continued right through 1937 without any break, and without any change in the usuance of Bills from 3 months. The weekly sales of Treasury Bills were adjusted according to the needs of the money market and of the requirements of Government's ways and means position. From April 1, the Burma Government issued separate Treasury Bills of four months' usuance. The large expansion of trade in the first quarter of 1937 had increased revenues and Government were able to adjust their ways and means without frequent recourse to the Reserve Bank. Government balance had risen from Rs. 8.51 crores to Rs. 16.60 crores in February. Between April and November 15, Government frequently had Ways and Means advances of one or two crores from the Reserve Bank ; but in all cases, they were promptly repaid. On August 20th, the Government deposits were only Rs. 8.61 crores, but by a suitable manipulation of Treasuries, they were pulled up to Rs. 16.41 crores in October. In the last months of the year, Government deposits were roundabout Rs. 12 crores only and Ways and Means advances too were more frequently availed of.

It is important to note that there was unusual tightness in the market in the first quarter of 1937, necessitating an expansion of currency of nearly Rs. 8 crores largely against the transfer of sterling securities from the Banking Department to the Insurance Department. Notwithstanding this stringency, Government were able to secure the desired quota of Treasury Bills at progressively lower rates of interest. After the first two weeks, the offer was reduced from Rs. 2 crores to Re. 1 crore, The average rate of accepted tenders by June had been reduced to Re. 1 per cent. per annum. Thereafter the yield on Treasuries steadily declined until it touched Rs. 0-6-11 on 20th August 1937. And thereby hangs a record, since that is the lowest rate at which, for the second time since 1927, Government have discounted their three months' Bills. The amounts tendered were so large that Rs. 2 crores were on offer for the rest of 1937 except in late October and early November when only one crore was on offer. With the approach of the busy season, the rates naturally improved and touched Rs. 1-4-0 at the turn of the new year. For the year 1937 alone, total amount tendered was for Rs. 105.83 crores while Rs. 69.84 crores were accepted at an average rate of Rs. 0-13-0 per cent. At the close of 1937, the public were left with Rs. 23 crores as against Rs. 28 crores at the close of 1936. In his Budget speech, the Finance Member had anticipated the total of Treasury Bills outstandings at Rs. 34 crores at the end of 1937-38.

Such a steady flow of funds into this system of short-term investment must be ascribed partly to the continuance of cheap money and partly to the absence of longterm borrowing throughout the year. The Government must be congratulated on their ability to maintain their cheap money policy unimpaired. It may, however, be mentioned in this connection, that the authorities in almost every country in the world are having the cheap money policy as the first article of their economic faith. During the fiscal year 1937-38, the total of Treasury Bills sold to the public amounted to Rs. 71.99 crores or nearly Rs. 72 crores. It is interesting to note that the corresponding figure for 1935-36, and for 1936-37, was Rs. 70.50 crores and Rs. 81.14 crores respectively. The average rate for 1937-38 is only Rs. 0-15-6 while the average rate for the other two is Re. 1-3-4 and Re. 0-12-6. It is noteworthy that the total outstandings of Treasury Bills with the public on March 31, 1938 is just Rs. 19 crores, the lowest figure in recent months for the size of the floating debt. So far, the floating debt of the Government of India has never exceeded the level of Rs. 26 crores which it attained on February 1938. These figures are interesting as they show how the Government had an exceedingly favourable ways and means position right through the year.

The giltedge market, both at home and abroad, has been fully responsive to the cheap money conditions and 1937-38 may, in fact, be deemed a giltedged year, notwithstanding the unsettled state of European politics.

A very reliable guide to the plentifulness of funds is the level of interest rates on Bank deposits. Early in 1938 one or two banks have reduced the rate savings account in the light of last year's experience and the P. O. savings rate is unchanged at 2 per cent. The Government's borrowing benefited from the low level of rates as mentioned above, and the absence of any strong trade demand was reflected not only in the contraction in note circulation, but also in the rise under the time liabilities of the Scheduled Banks at the end of 1937, compared with the beginning. Though there has been a fall under the Banks' investments in securities there has been no marked improvement under advances or bills discounted, and we may add that the statements of affairs of the leading banks at the end of the year indicate that there was little variation in the composition of assets, while the avenues for employment continued to be restricted. The Scheduled Banks generally maintained more than adequate balances with the Reserve Bank and four new entrants to the list of Scheduled Banks show that the connection with the central institution is keenly appreciated. A significant increase in the number of branches is proof of banking progress.

The aberrations in the franc and dollar exchange rates have had no effect on the rock-like steadiness of the rupee-sterling rate. In spite of a falling off in treasure exports to Rs. 21.85 crores compared with Rs. 33.16 crores in 1936 merchandise exports sustained the balance of trade. Though the rupee was at a slight premium throughout the year and Government found little difficulty in getting their requirements, the marked reduction in the volume of remittances is not independent of the change noticeable in the balance of trade position. It may be mentioned that the Reserve Bank's weekly purchases of sterling in the second half of the year tended to be gradually smaller and only £2.76 million was secured through the sale of intermediates. The rise in imports and the fall in gold export reduced the volume of tenders submitted, but the rate was steady and unchanged at 18 1/8d. As the year's sales totalled £33.9 millions and Government's sterling requirements amounted to £31.01 millions a small surplus was available to strengthen the Issue epartment's external reserves.

As is evident from the Reserve Bank's weekly returns the rise in sterling securities held against the note circulation is the outstanding feature. The Government had no loans to be repaid in 1937, and the reduction in sterling purchases did not affect the maintenance of adequate external balances by the eserve Bank. There was little risk of any large scale efflux of funds as at the end of 1936, when Indian investors manifested great interest in sterling securities, and the small export surplus was enough to support rupee exchange at the usual premiums, while a slight weakening in the rate towards the end of December served to induce sterling funds to seek investment in Indian Treasury Bills. It is curious to note that neither the gold scare nor the dollar scare had any visible effects on the rupee exchange rate or the treasure trade. The stability of money and exchange rates during a year of rapid and sweeping changes in the price structure of both commodity and stock markets impresses the observer as extraordinary. So also does the orderly movement of funds and the uninterrupted progress in banking to which the Reserve Bank's report submitted to the annual meeting on Monday refers.

Balance of Trade in India from 1927-28 to 1937-38.

(*In Lakhs of Rupees*)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
Exports of Indian Merchandise (private)	+ + 3,19,15	+ 3,30,13	+ 3,10,80	+ 2,20,49	+ 1,55,89	+ 1,32,43	+ 1,47,25	+ 1,51,67	+ 1,60,52	+ 196,12	+ 1,80,92
Re-exports of foreign	+ + 9,54	+ 7,83	+ 7,13	+ 5,15	+ 4,66	+ 3,22	+ 3,42	+ 3,55	+ 3,77	+ 6,24	+ 8,28
Imports of foreign	− − 2,46,71	− 2,51,49	+ 2,38,95	− 1,63,61	− 1,25,69	− 1,32,27	− 1,15,00	− 1,31,80	− 1,33,69	−1,24,60	− 1,72,99
Balance of trade in Merchandise ...	+ + 81,98	+ 86,47	+ 78,98	+ 62,03	+ 34,86	+ 3,38	+ 35,67	+ 23,42	+ 30,60	+ 77,76	+ 16,21
Gold (private)	− − 18,10	− 21,20	− 14,22	− 12,75	+ 57,97	+ 65,52	+ 57,05	+ 52,53	+ 37,35	+ 27,85	+ 16,34
Silver („)	− − 13,85	− 13,04	− 11,89	− 11,65	− 2,59	− 73	− 1	− 37	− 1,27	− 13,59	− 2,26
Currency Notes (private) ...	+ − 24	− 12	− 9	− 3	+ 26	+ 3	+ 19	+ 37	+ 29	+ 24	+ 28
Balance of transaction in Treasure (private)	− − 32,19	− 34,36	− 26,20	− 24,43	+ 55,64	+ 64,92	+ 57,23	+ 52,53	+ 36,37	+ 14,50	+ 14,36
Total Visible Balance of Trade ...	+ + 49,79	+ 52,11	+ 52,78	+ 37,60	+ 90,50	+ 68,30	+ 92,90	+ 75,95	+ 66,97	+ 92,26	+ 30,57
Council Bills, purchases of Sterling and other Government remittances to the United Kingdom	− − 37,77	− 41,02	− 20,39	− 7,26	− 53,01	− 48,18	− 59,97	− 49,82	− 45,58	− 70,87	− 29,51
Sterling transfers on London sold in India	...	...	..	+ 7,75	+ 18,98	+ 18,98	...	...	...	...	...
Transfers of Government Securities	− + 28	− 1	− 29	− 8	+ 6	− 13	− 11	+ 32	− 56	− 18	− 11
Interest drafts on India in respect of Government of India Securities	− − 35	− 36	− 33	− 33	− 32	− 32	− 36	− 28	− 31	− 29	− 28
Balance of remittance of funds ...	− − 37,84	− 41,39	− 21,01	+ 8	− 34,32	− 48,63	− 60,44	− 49,78	− 46,45	− 71,34	− 29,90
Total Visible Balance of Accounts	+ + 11,95	+ 10,72	+ 31,77	+ 37,68	+ 56,18	+ 19,67	+ 31,50	+ 26,17	+ 20,42	+ 20,91	+ 67

NOTE—(1) Imports of merchandise are exclusive of railway materials imported direct by State Railways working under Company management, as the charges of these are not paid for in the ordinary way.
(2) In the balances, + means net Export and − net Import.
(3) All transactions which do not enter into the balance of trade are excluded.
* Exclusive of Burma

Monthly Exports from and Imports into India of Gold from 1931-32 to 1937-38

(In Thousands of Rupees)

	1931-32		1932-33		1933-34		1934-35		1935-36		1936-37		1937-38*	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April ...	16,45	...	11,50	4,23,78	6,13	4,55,59	6,58	5,34,61	4,18	1,04,28	7,17	2,79,89	21,69	1,83,28
May ...	19,06	...	7,13	3,30,42	10,24	5,21,92	6,21	5,29,67	17,60	1,94,63	28,92	3,28,07	16,84	1,47,18
June ...	16,04	64,03	8,63	4,87,02	13,84	5,62,50	7,73	5,05,82	8,58	1,10,61	9,07	2,79,58	33,69	81,53
July ...	20,67	42,67	10,69	6,17,04	8,46	2,59,75	5,65	5,82,84	11,17	6,04,26	11,92	4,04,83	11,17	2,40,28
August ...	21,57	28,95	12,95	4,51,53	8,99	4,46,30	6,30	99,74	5,57	6,76,96	17,26	2,25,74	7,28	1,44,01
September ...	31,00	29,29	9,36	6,56,50	8,28	5,70,11	5,42	72,28	14,65	3,17,91	6,65	2,21.31	23,76	1,44,82
October ...	49,27	9,05,44	10,98	5,67,39	8,64	3,43,55	5,59	3,89,44	6,94	3,04,63	9,02	3,19,08	7,17	1,30,47
November ...	27,02	8,57,45	14,27	6,71,75	7,13	2,53,23	4,76	5,51,58	8,79	3,96,16	7,43	2,58,29	6,87	1,17,53
December ...	27,94	17,76,53	16,09	10,13,26	10,56	2,42,07	5,93	6,24,69	3,62	2,77,62	8,44	1,55,71	8,21	1,65,73
January ...	20,11	9,27,38	12,74	4,71,22	7,13	5,92,68	5,68	4,41,60	5,77	3,71,17	12.37	2,38,62	7,09	1,54,39
February ...	13,92	7,57,12	7,25	4,95,89	11,21	10,21,62	3,79	4,78,22	3,04	2,68,89	30,21	1,15,10	4,25	1,99,35
March ...	14,90	6,88,37	10,22	4,98,29	9,83	5,45,98	8,29	5,15,39	504	2,08,42	12,42	1,19,26	7,57	80,67
TOTAL ...	79,95	60,77,23	1,31,81	66,84,09	1,09,94	58,15,30	71,93	53,25,63	94.95	38,30,55	160,88	29,45,49	1,55,60	17,89,24

NOTE— Value is at the market rate at the time of Import or Export and the metal is of unknown fineness.

* Exclusive of Burma.

Monthly Exports from and Imports into India of Silver from 1931-32 to 1937-38

(In Thousands of Rupees)

	1931-32		1932-33		1933-34		1934-35		1935-36		1936-37		1937-38*	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April ...	46,20	28	9,68	5,46	7,47	351	1,61,61	21,00	1,375	33,91	87,68	2,19	17,60	2,90
May	50,80	27	19,05	3,26	11,00	48,51	16,28	35,38	5,94	46,32	200,70	2,06	27,66	12
June ...	54,06	23,40	26,53	25,99	77	1,90,53	1,00,20	50,15	20,09	7,17	135,03	2,24	77,48	2,79
July ..	36,35	73,68	42,26	9,14	30	1,99,32	99	68,85	16,36	6,69	94,83	3.50	45,68	72
August ...	28,63	84,47	14,35	71,96	2,59	22,55	5,25	1,02,47	6,76	1,02,68	80,85	1,97	38,37	3,59
September ..	54,00	84,41	10,06	28,75	5,99	29,35	8,99	86,14	3,14	9,53	92,29	2,01	51,94	5,21
October ...	47,05	12,95	3,07	30,79	13,53	72,42	1,42	1,10,02	2,36	11,92	86,79	3,39	2,86	21
November ...	30,49	9,04	8,54	68,40	11,93	5,51	26,39	78,84	8,16	9,81	150,58	2,09	8,68	5,21
December ...	67,96	43,47	4,77	19,02	10,96	27,20	48,31	55,31	6,27	4,62,29	60,97	2,06	9,12	17,62
January ...	16,50	77,39	9,59	67,87	4,92	41,65	9,95	89,19	87,27	9,29	1,70,54	2,00	10,82	26,17
February ...	6,41	64,77	7,03	26,84	8,40	16,04	2,92	1,52,24	3,76,98	2,04	2,19,29	1,00	1,45	5,35
March ...	4,19	10,68	8,02	6,78	3,87	60,86	62,80	1,37,16	98,61	145	790	3,96	8,41	1,59
TOTAL ...	4,42,64	4,84,81	1,62,95	3,64,26	81,73	7,17,45	4,45,11	9,86,75	6,45,69	7,03,10	13,87,64	28,47	3.00,06	74,49

Note—Value is at the market rate at the time of Export or Import and the metal is of unknown fineness.

* Exclusive of Burma.

Total Imports and Exports of Silver and Gold for each of the years 1900-01 to 1937-38.

(Value in Thousands of Rupees)

	Gold		Silver	
	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.
1900-01	11,89,80	11,05,59	12,67,87	8,17,15
1901-02	8,30,75	6,36,99	12,29,38	5,10,10
1902-03	13,19,24	4,43,78	12,18,65	5,22,98
1903-04	20,14,79	10,21,62	18,37,82	4,82,77
1904-05	21,81,20	12,10,61	17,69,62	4,32,27
1905-06	14,75,90	14,29,10	16,90,20	1,17,90
1906-07	18,53,34	3,67,73	26,04,64	2,04,09
1907-08	20,75,26	3,38,49	21,53,19	2,06,36
1908-09	8,40,42	4,04,88	14,34,00	2,27,15
1909-10	25,03,10	3,35,17	12,49,25	3,04,75
1910-11	27,89,25	3,91,39	11,84,34	3,21,31
1911-12	41,49,36	3,73,38	11,97,72	6,64,01
1912-13	41,29,08	7,28,96	20,54,10	3,34,22
1913-14	28,22,64	4,90,26	15,21,32	2,18,03
1914-15	10,70,38	3,05,64	11,10,45	2,23,30
1915-16	5,28,17	5,39,08	6,66,46	1,83,50
1916-17	13,33,79	10,25	25,11,48	6,31,47
1917-18	29,09,49	3,91,63	22,66,94	3,62,76
1918-19	2,27,63	7,84,00	69,08,92	1,17,02
1919-20	48,25,16	12,92,13	29,98,73	75,84
1920-21	23,57,38	21,46,56	11,11,82	4,70,57
1921-22	13,82,04	16,18,49	17,47,86	2,38,24
1922-23	41,32,39	13,31	20,94,33	2,58,86
1923-24	20,25,31	6,68	22,10,27	3,40,47
1924-25	74,28,98	36,32	24,28,07	4,20,67
1925-26	35,22,99	37,54	19,89,70	2,77,29
1926-27	19,50,12	10,07	21,76,34	1,89,54
1927-28	18,13,34	3,44	16,47,37	2,63,69
1928-29	21,21,90	2,03	15,92,18	6,15,11
1929-30	14,23,11	1,03	13,41,91	4,79,79
1930-31	13,24,66	49,34	13,46,63	3,38,70
1931-32	2,79,95	60,77,23	4,42,64	4,84,81
1932-33	1,31,81	66,84,09	1,62,95	3,64,26
1933-34	1,09,94	58,15,30	81,73	7,17,45
1934-35	71,93	53,25,68	4,45,10	9,85,75
1935-36	94,95	38,30,55	6,45,75	7,03,09
1936-37	1,60,88	29,45,49	13,87,64	28,47
1937-38*	1,55,60	17,89,24	3,12,49	1,55,19

* Exclusive of Burma.

London-New York Cross Rate (£ per 100 dollars), Sterling-Franc rate Price of Gold in London and in Bombay.

		London-New York cross rate dollars to pound sterling		Sterling-Franc rate Francs to Pound		Price of gold London						Price of country bar gold at Bombay					
		Highest	Lowest	Highest	Lowest	Highest			Lowest			Highest			Lowest		
						£	s.	d.	£	s.	d.	Rs.	A.	P.	Rs.	A.	P.
April	1936 ...	496 1/4	493 1/8	75 9/32	74 7/8	7	1	0 1/2	7	0	7	34	14	3	34	10	6
May	,, ...	500 1/8	493 3/4	76	79 21/32	7	0	10	6	19	3	34	14	9	34	10	9
June	,, ...	504 1/2	498 3/4	76 5/8	75 1/2	6	19	4	6	18	3	34	7	9	34	5	3
July	,, ...	503 3/8	501 1/4	76 7/32	75 7/8	6	19	1 1/2	6	18	6	34	5	6	3	3	6
August	,, ...	503 5/8	501 3/8	72 1/2	76 1/16	6	18	8	6	18	2	34	5	3	34	3	3
September	,, ...	507 1/4	493	77 1/16	76 1/4	7	0	7	6	17	2 1/2	35	1	6	33	15	6
October	,, ...	495 1/4	488 1/4	106 1/2	103	7	2	3 1/2	7	0	5 1/2	35	4	3	34	12	6
November	,, ...	490 5/8	487 1/8	105 5/8	105 1/16	7	2	8 1/2	7	1	10 1/2	35	6	3	35	1	6
December	,, ...	492	489 3/8	105 7/32	105 3/32	7	2	1	7	0	5 1/2	35	3	0	35	0	3
January	1937 ...	491 3/4	489 1/2	105 1/4	105	7	2	0 1/2	7	1	5 1/2	35	2	9	34	15	9
February	,, ...	490 1/4	488 1/2	105 1/4	104 7/8	7	2	4	7	1	11	35	3	9	35	2	0
March	,, ...	489 1/8	487 3/8	108 1/4	105	7	2	7 1/2	7	2	2	35	5	9	35	2	6
April	...	495 3/8	488 3/8	111 5/8	106 1/4	7	2	1 1/2	7	0	3 1/2	35	3	6	34	7	6
May	,, ...	494 5/8	492 7/8	110 15/16	109	7	0	10	7	0	5 1/2	35	1	0	34.	6	0
June	,, ...	495	491 1/8	111	110 3/8	7	0	9	7	0	3 1/2	34	14	3	34	8	0
July	,, ...	498 1/2	493 5/8	135 1/8	120	7	0	6	6	19	6 1/2	34	11	0	34	7	9
August	,, ...	499 3/8	496	133	132 5/8	7	0	1	6	19	4	34	10	9	34	6	9
September	,, ...	496 3/4	494 1/8	147 1/2	132 11/16	7	0	7 1/2	7	0	0 1/2	34	14	3	34	10	3
October	,, ...	496 7/8	494 3/4	152 1/2	144 3/8	7	0	8	7	0	4	34	13	6	34	10	9
November	,, ...	503	496	147 5/8	147	7	0	7	6	19	10 1/2	34	10	9	34	8	6
December	,, ...	500 5/8	498 1/2	147 3/8	147	7	0	0 1/2	6	16	6	34	8	9	34	6	0
January	1938 ...	501 5/100	499 67/100	153 43/100	147 29/100	6	19	9	6	19	5	34	8	0	34	6	6
February	,, ...	503 07/100	499 07/100	154 15/100	151 43/100	6	19	10 1/2	6	19	6	34	8	6	34	4	9
March	,, ...	501 77/100	495 87/100	164 56/100	153 75/100	7	0	5 1/2	6	19	6 1/2	34	12	3	34	7	0

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1932-33 to 1937-38

1932-33

Month	Bombay Highest Rs.	A.	Bombay Lowest Rs.	A.	London Highest d.	London Lowest d.	New York Highest Cents	New York Lowest Cents
April ...	55	12	52	8	17½	15⅝	29¾	27⅞
May ...	56	6	54	6	17⅜	16 9/16	28⅛	27
June ...	56	11	54	8	17	16⅝	21⅛	26¾
July ...	55	2	54	3	17¼	16 9/16	27	26⅛
August ...	57	7	54	13	18 15/16	17 3/16	30	25¾
September	57	4	55	1	18 13/16	17 9/16	28⅝	27⅜
October ..	56	10	55	12	18⅛	17 11/16	27½	26⅞
November	56	10	53	15	18⅜.	17 13/16	27⅜	25⅜
December	52	9	49	5	17¾	16⅜	25½	24¼
January...	51	6	49	4	17⅛	15 15/16	26¼	24⅜
February	53	49	7	4	17 5/16	16 9/16	27¼	25½
March .	58	4	53	7	18 7/16	17	30	29

1933-34

Month	Bombay Highest Rs.	A.	Bombay Lowest Rs.	A.	London Highest d.	London Lowest d.	New York Highest Cents	New York Lowest Cents
April	59	0	54	14	20 7/16	17¼	37¼	27
May	59	0	55	15	20½	18 3/16	36¼	32⅛
June	58	2	56	11	19 9/16	18⅜	36¼	34¾
July	57	7	35	13	18⅞	17⅞	40⅜	35½
August	53	5	54	10	18⅛	17¾	37	35
September	56	12	55	7	18½	18 1/16	40½	36⅝
October	56	9	56	0	18½	18	40	36⅛
November	57	0	56	4	18⅝	18 1/16	45	39⅜
December	56	7	53	6	19 11/16	18 7/16	44⅜	42½
January	55	9	58	15	19 11/16	19 1/16	45	43¼
February	56	14	54	7	20⅝	19¼	46¾	43⅜
March	57	8	54	15	20¾	19⅞	46¾	45¼

1934-35

Month	Bombay Highest Rs.	A.	Bombay Lowest Rs.	A.	London Highest d.	London Lowest d.	New York Highest Cents	New York Lowest Cents
April	55	8	51	14	20¼	18¾	46½	41¾
May	54	7	50	12	19 13/16	18 3/16	45⅝	41¾
June	58	9	54	6	21⅛	19 7/16	46¼	44⅝
July	58	4	56	11	21	20 1/16	46¾	45¾
August	60	11	57	8	21⅞	20 7/16	49¾	46⅜
September	61	10	60	2	22 7/16	21⅝	50	49¼
October	67	11	61	7	24 7/16	20¼	53⅝	49⅞
November	67	12	64	4	25¼	23 7/16	55¾	52¾
December	67	8	66	7	24⅞	23 13/16	55¼	53½
January	65	13	61	10	24¾	24 15/16	55	54⅛
February	63	6	61	0	25 11/16	24 5/16	55¼	58½
March	65	9	64	7	28⅞	26 1/16	61¼	56½

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1932-33 to 1937-38—*Contd.*

Month	1935-36 Bombay Highest		1935-36 Bombay Lowest		1935-36 London Highest	1935-36 London Lowest	1935-36 New York Highest	1935-36 New York Lowest	1936-37 Bombay Highest		1936-37 Bombay Lowest		1936-37 London Highest	1936-37 London Lowest	1936-37 New York Highest	1936-37 New York Lowest	1937-38 Bombay Highest		1937-38 Bombay Lowest		1937-38 London Highest	1937-38 London Lowest	1937-38 New York Highest	1937-38 New York Lowest
	Rs.	A.	Rs.	A.	d.	d.	Cents	Cents	Rs.	A.	Rs.	A	d.	d.	Cents	Cents	Rs.	A.	Rs.	A.	d.	d.	Cents	Cents
April	87	0	67	10	36¼	28¼	81	61⅛	52	7	49	7	20⅞	19⅞	45¾	45¾	53	12	52	8	20½	20¼	46⅝	44⅛
May ...	83	12	76	13	35⅜	32⅜	77	71¼	52	8	49	9	20⅞	19¾	44¾	44¾	53	1	52	9	20½	20¼	45¼	44⅞
June ...	80	2	71	14	33¾	31	73⅞	69½	50	0	43	8	20 1/16	19 7/16	44¾	44¾	52	13	51	5	20⅜	19¾	45	44¾
July ...	74	9	69	8	31 5/16	30 3/16	69¾	67¾	49	2	43	6	19¾	19⅜	44¾	44¾	52	5	51	10	20 3/16	19 13/16	44¾	44¾
August ...	71	4	64	5	30 7/16	29	67¾	65½	49	0	43	0	19 11/16	19⅛	44¾	44¾	51	15	49	9	20	19¼	44¾	44 2/4
September	67	11	65	10	29 9/16	29	65¾	65⅜	50	0	43	4	20 1/16	19 7/16	44¾	44¾	51	10	50	9	20	19 13/16	44¾	44¾
October ...	69	8	66	0	29⅝	29 5/16	65⅝	65⅝	50	1	49	4	20⅛	19 1/16	44¾	44¾	51	1	50	10	20 1/16	19 13/16	44¾	44¾
November	67	3	64	8	29½	29 3/16	65⅜	65⅜	55	10	49	8	22 15/16	20	47½	44¾	50	12	49	13	19⅞	19⅝	44¾	44¾
December	65	3	48	0	29¼	20⅞	65¾	49¾	53	0	52	1	21⅜	20 1/16	46½	45	49	14	46	8	19 11/16	18 3/16	44¾	44¾
January ...	55	6	46	12	22⅜	19	49¾	44⅜	52	10	49	5	21 5/16	20 1/16	45⅜	44¾	51	0	48	9	20⅜	19¼	44¾	44¾
February	58	8	49	3	20 1/16	19 5/16	44¾	44⅜	50	13	49	5	20 5/16	20	44¾	44¾	51	10	50	9	20⅜	19 15/16	44¾	44¾
March ...	57	2	49	7	20⅞	19⅞	45¾	44¾	53	11	48	15	21⅛	20 3/16	45¾	44¾	51	15	48	6	20 9/16	18⅜	44¾	42¾

Monthly rates for Telegraphic Transfers (Calcutta—London) from 1932-33 to 1937-38.

(Pence per Rupee)

	1932-33		1933-34		1934-35		1935-36		1936-37		1937-38	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
April ...	18 1/32	17 29/32	18 1/32	17 31/32	18 1/16	18 1/16	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
May ...	17 15/16	17 7/8	18 1/16	18 1/32	18 1/16	17 31/32	18 3/32	18 3/32	18 3/2	18 3/32	18 5/32	18 3/32
June ...	17 15/16	17 7/8	18 1/32	18 1/32	18 1/32	18	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 33/2
July ...	18 1/16	18	18 1/32	18 1/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
August ...	18 3/32	18 1/16	18 1/32	18 1/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
September ...	18 5/32	18 3/32	18 1/32	17 15/16	18 1/16	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
October ...	18 5/32	18 1/8	18 1/32	17 31/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
November ...	18 5/32	18 1/8	18	17 13/16	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32
December ...	18 5/32	18 5/32	18 1/32	17 15/16	18 1/16	18 1/32	18 3/32	18 1/8	18 3/32	18 3/32	18 3/16	18 3/32
January ...	18 5/32	18 1/8	18 1/16	18 1/32	18 1/8	18 1/16	18 3/32	18 1/8	18 1/8	18 1/8	18 5/32	18 3/32
February ...	18 1/8	18 3/32	18 1/16	18 1/32	18 1/8	18 1/8	18 3/32	18 3/32	13 1/8	18 1/8	18 5/32	18 3/32
March ...	18 3/32	17 7/8	18 1/16	18 1/16	18 1/8	18 1/16	18 3/32	18 3/32	18 3/32	18 3/32	18 3/16	18 3/32

Monthly Purchase of Sterling from 1932-33 to 1937-38.

	1932-33		1933-34		1934-35		1935-36		1936-37		1937-38	
	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.
April ...	223	18·12	2,668	18·06	5,032	18·07	3,63	18·125	5.570	18·125	5,480	18·125
May ...	...	...	5,075	18 07	2,350	18·06	5,365	,,	1,000	,,	95	,,
June ...	...	...	3,685	18·06	430	18·06	2,768	,,	2,225	,,	985	,,
July ...	...	...	3,250	18·06	1,050	18·06	1.100	,,	2,555	,,	425	,,
August ...	3,165	18·10	3,113	18·06	3,330	18·06	2,645	,,	1.430	,,	753	,,
September ...	5,879	18·15	770	18·06	3,826	18 06	3,590	,,	3,565	,,	80	,,
October ...	4,346	18·16	1,800	18·06	3,129	18·06	1,700	,,	5,000	,,	3,035	,,
November ...	8,275	18 17	...	...	1,225	18·06	3,130	,,	4,000	,,	650	,,
December ...	7,686	18·17	1.380	18·06	3.640	18·07	3,025	,,	3.980	,,	570	,,
January ...	8,754	18·16	7.633	18·08	7,650	18·11	5,400	,,	11,922	,,	3,270	,,
February ...	1,855	18·16	8.695	18·08	3,105	18·12	2.595	,,	8,130	,,	4,945	,,
March ...	1.050	18·10	7.089	18·07	2,775	18·13	8,145	,,	4,125	,,	4,882	,,
TOTAL ...	35,733		45,158		37,542		34.826	18·125	53,532	18·125	25,140	18·125

Monthly Sales and Discharges of Treasury Bills, 1933-34 to 1937-38
(*In Lakhs of Rs.*)

Month	1933-34 Sales	1933-34 Discharges	1934-35 Sales	1934-35 Discharges	1935-36 Sales	1935-36 Discharges	1936-37 Sales	1936-37 Discharges	1937-38 Sales	1937-38 Discharges
April ...	3,43	10,04	9,55	7,56	2,00	8,29	5,00	8,00	5,00	8,00
May ...	3,79	8,56	5,00	7,02	4,98	7,48	8,00	1,00	4,00	4,00
June ...	9,46	7,45	1,00	18,57	4,00	2,50	...	3,00	4,00	4,00
July ...	9.83	3,43	3,37	9,61	2,00	2,00	10,00	5 00	5,00	5,00
August ...	9,51	3,77	17,24	5,86	..	4,98	8,00	8,00	5,00	4,00
September	13,35	10,46	8,96	20	8,00	4,00	8.00	...	8,00	4,00
October ...	6,57	8,88	7,71	3,36	7,79	3,00	10,00	10,00	8,00	5,00
November	10,55	9,50	12,23	17,22	10,00	...	8,00	8,00	5,00	5,00
December	12,39	13,35	5,51	8,99	6,09	16,65	8,00	8,00	10,00	8,00
January ...	7,50	6,49	8.51	7,61	8, 00	11,87	8,00	10,00	8,00	6,00
February	7,06	12,91	7,25	12.30	1,00	10,00	4,00	8,00	6,00	5.00
March ...	18,68	10.07	2,50	5,55	3,00	6,00	4,00	8,00	4,00	10,00

Cash Balances of the Government of India 1935-36.

End of		At the Reserve Bank of India	At Treasuries	In England	Total
April	1936 ...	6,36,38	1,65,08	75,36	8,76,82
May	,, ...	18,38,49	1,50,52	71,87	20,60,88
June	,, ...	16,24,59	1,61,61	76,04	18,62,24
July	,, ...	6,69,18	1,49,93	75,62	8,94,73
August	,, ...	6,58,66	1,47,38	74,62	8,80,66
September	,, ...	14,37,59	1,54,24	70,32	16,62,15
October	,, ...	8,16,38	1,40,90	72,10	10,29,38
November	,, ...	1,50,35	6,69,58	76,26	8,96,19
December	,, ...	7,44,88	1,44,33	93,91	9,83,12
January	1937 ...	13,27,12	1,47,48	73,62	15,48,22
February	,, ...	15,58,76	1,80,83	73,62	18,18,72
March	,, ...	17,89,72	2,64,66	79,13	21,31,85
April	,, ...	10,00,78	1,21,61	71,21	11,93,60
May	,, ...	9,38,22	1,16,99	84,38	11,39,59
June	,, ...	8,59,23	1,17,35	73,27	10,49,85
July	,, ...	...	...	...	...
August	,, ...	11,85,27	1,14,87	70,77	13,70,91
September	,, ...	12,46,48	1,24,99	67,33	14,38,80
October	,, ...	9,61,58	1,13,84	68,82	11,48,24
November	,, ...	7,20,75	1,21,74	97,63	9,40,12
December	,, ...	7,22,04	1,13,84	91,93	9,27,81
January	1938 ...	10,17,34	1,17,73	73,66	12,08,73
February	,, ...	14,74,28	1,22,55	72,87	16,69,70
March	,, ...	17,71,87	1,90,44	95,97	20,58,28

Composition of Paper Currency Reserve

(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1914											
March	66,12	22,44	9,15	31,59	20,59	...	20,53	10,00	4,00	...	47·8
April	65,46	20,34	9,15	29,49	21,97	...	21,97	10,00	4,00	...	45·1
May	66,77	18,91	9,15	28,06	24,71	...	24,71	10,00	4,00	...	42·0
June	70,26	18,00	9,15	27,15	29,11	...	29,11	10,00	4,00	...	38·6
July	75,45	18,36	9,15	27,51	33,94	...	33,94	10,00	4,00	...	36·5
August	65,79	6,16	7,65	13,81	37,98	...	37,98	10,00	4,00	...	21·0
September ...	60,52	3,92	7,65	11,57	34,95	...	34,95	10,00	4,00	...	19·1
October	60,78	6,34	7,65	13,99	32,79	...	32,79	10,00	4,00	...	23·0
November ...	61,19	8,86	7,65	16,51	30,68	...	30,68	10,00	4,00	...	27·0
December	60,83	9,31	7,65	16,96	29,87	...	29,87	10,00	4,00	...	27·9
1915											
January	60,26	8,31	7,65	15,96	30,30	...	30,30	10,00	4,00	...	26·5
February	59,55	6,71	7,65	14,36	31,19	...	31,19	10,00	4,00	...	24·1
March	61,63	7,64	7,65	15,29	32,34	...	32,34	10,00	4,00	...	24·8
April	60,24	7,69	7,65	15,34	30,90	...	30,90	10,00	4,00	...	25·5
May	61,99	7,75	7,66	15,40	32,59	..	32,59	10,00	4,00	...	24·8
June	66,48	7,77	7,65	15,42	37,06	...	37,06	10,00	4,00	...	23·2
July	68,06	7,82	6,15	13,97	40,09	...	40,09	10,00	4,00	...	20·5
August	66,41	6,34	6,15	12,49	39,92	...	39,92	10,00	4,00	...	18·8
September ...	63,81	5,91	6,15	12,06	37,75	...	37,75	10,00	4,00	...	18·9
October	63,59	7,05	6,15	13,20	36,39	...	36,39	10,00	4,00	...	20·8
November ...	62,06	8,31	6,15	14,46	33,60	...	33,60	10,00	4,00	...	23·3
December	62,34	12,75	6,15	18,90	29,44	...	29,44	10,00	4,00	...	30·3

Composition of Paper Currency Reserve—(*Contd.*)

(*In Lakhs of Rs.*)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1916											
January ...	62,42	12,74	8,18	20,92	26,02	...	26,02	10,00	5,48	...	33·5
February ...	64,01	12,58	8,93	21,51	24,00	...	24,00	10,00	8,50	...	33·6
March ...	67,73	12,24	11,92	24,16	23,06	51	23,57	10,00	10,00	...	35·8
April ...	65,47	12,25	11,92	24,17	18,55	1,47	20,02	10,00	11,28	...	36·9
May ...	66,31	12,12	11,92	24,04	17,68	1,53	19,21	10,00	13,06	...	36·3
June ...	71,39	12,51	11,92	24,43	22,43	1,47	23,90	10,00	13,06	...	34·2
July ...	75,48	12,29	11,92	24,21	26,83	1,38	28,21	10,00	13,06	...	32·1
August ...	74,01	11,66	11,92	23,58	26,81	56	27,37	10,00	13,06	...	31·9
September ...	71,55	10,99	11,92	22,91	24,24	1,34	25,58	10,00	13,06	...	32·0
October ...	73,32	12,56	11,92	24,48	23,97	1,67	25,64	10,00	13,06	...	33·4
November ...	76,50	12,38	11,92	24,30	18,07	1,89	19,96	10,00	22,24	...	31·8
December ..	82,17	11,92	11,92	23,84	14,39	2,98	17,37	10,00	30,96	..	29·0
1917											
January ...	84,36	12,57	10,42	22,99	15,04	2,44	17,48	10,00	33,88	...	27·3
February ...	86,76	12,17	8,92	21,09	15,82	2,52	18,34	10.00	37,32	...	24·3
March ...	86,37	12,00	6,67	18,67	17,08	2,13	19,21	10,00	38,49	...	21·6
April ...	82,72	11,39	5,17	16,56	13,67	1,70	15,37	10,00	40,78	...	20·0
May ...	88,31	9,94	5,17	15,11	14,68	85	15,53	10,00	47,67	...	17·1
June ...	93,29	7,07	4,80	11,87	19,61	63	20,24	10,00	51,17	...	12·7
July ...	99,31	7,03	4,42	11,45	25,90	48	26,38	10,00	51,48	...	11·5
August ...	1,05,15	12,12	2,55	14,67	28,55	45	29,00	10,00	51,48	...	14·0
September ...	1,08,43	15,86	1,52	17,38	28,88	69	29,57	10,00	51,48	...	16·0
October ..	1,14,77	21,91	1,92	23,83	28,88	58	29,46	10,00	51,48	...	20·8
November ..	1,12,93	24,65	2,30	26,95	24,01	49	24,50	10,00	51,48	...	23·9
December ...	1,08,31	26,73	1,04	27,77	18,27	79	19,00	10,00	51,48	..	24·7

Composition of Paper Currency Reserve—(*Contd.*)

(*In Lakhs of Rs.*)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1918											
January ...	1,04,82	27,19	1,04	28,23	14,92	19	15,11	10,00	51,48	...	26·9
February ...	1,03,46	28,30	67	28,97	12,56	45	13,01	10,00	51,48	...	28·0
March	99,79	26,85	67	27,52	10,40	39	10,79	10,00	51,48	...	27·6
April	1,05,96	22,54	45	23,09	7,26	6,46	13,72	10,00	59,19	...	21·8
May	1,11,53	19,12	45	19,57	5,14	10,42	15,56	10,00	64,16	...	17·5
June	1,14,79	21,04	45	21,49	5,66	9,29	14,95	10,00	68,40	...	18·7
July	1,21,41	20,21	12	20.33	8,02	10,40	18,42	10,00	72,65	...	16·7
August ..	1,31,41	20,33	12	20,45	11,18	13,78	24,96	10,00	76,00	...	15·5
September ...	1,34,38	20,38	12	20,50	12,38	15.50	27,88	10,00	76.00	...	15·3
October ...	1,36,43	20,41	12	20,53	10,49	19,42	29,91	10,00	75,99	...	15·0
November ...	1,40,76	20,45	12	20,57	8,48	25,71	34,19	10,00	76,00	...	14·6
December ...	1,47,09	19,68	12	19,80	10,56	21,57	32,13	12,66	82,50	...	13·5
1919											
January ...	1,49,74	18,91	12	19,03	11,58	20,54	32,12	16,08	82,50	...	13·4
February ...	1,51,48	18,14	12	18,26	13,50	21,15	34,65	16,08	82.50	...	12·1
March ...	1,53,46	17,37	12	17,49	16,66	20,73	37,39	16,08	82,50	...	11·4
April	1,53,72	14,55	3,00	17,55	18,01	19.58	37,59	16,08	82,50	...	11·4
May	1,55,18	16,11	1,50	17,61	19,61	19,38	38,99	16,08	82,50	...	11·4
June	1,62,76	17,69	...	17,69	23,55	22,94	46,49	16,08	82,50	...	10·9
July	1,67,11	19,13	...	19,13	28,49	20,91	49,40	16,08	82,50	...	11·4
August... ...	1,68,92	19,26	9	19,85	31,48	19,51	50,99	16,08	82,05	...	11·4
September ...	1,71,86	18,45	2,92	21,37	34,35	16,62	50,97	17,03	82,50	...	12·4
October... ...	1,75,29	19,25	5,59	24,84	35,59	15,33	50,92	17,03	82,50	...	14·2
November ...	1,79,67	23,54	9,16	32,70	32,84	14,60	37,44	17,03	82,50	...	18·2
December ...	1,82,91	29,61	10,10	39,71	29,64	14,03	44,67	17,03	82,50	..	21·7

Composition of Paper Currency Reserve—(*Contd.*)

(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	Gold			Silver			Securities			
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1920											
January .	1,85,15	35,10	11,62	46,72	28,38	11,95	40,33	15,60	82,50	...	25·2
February ...	1,83,03	41,30	4,65	45,95	29,85	9,14	38,99	15,60	82,50	...	25·1
March ...	1,74,52	44,36	3,45	47,81	33,22	6,63	39,85	19,59	67,27	...	27·4
April ...	1,70,74	45,38	95	46,33	33,81	5,56	39,37	23,77	61,27	...	27·1
May ...	1,66,92	42,86	74	43,60	37,10	4,27	41,37	31,18	50,77	...	26·1
June ...	1,64,34	43,48	2,49	45,97	41,94	3,61	45,55	35,55	37,27	...	28·0
July ...	1,63,87	44,62	...	44,62	46,75	3,61	50,36	40,62	28,27	...	27·2
August ...	1,63,27	39,12	...	39,12	51,62	3,67	55,29	47,33	21,53	...	24·0
September ...	1,57,63	36,15	...	36,15	54,34	3,72	58,06	47,14	16,28	...	22·9
October ...	1,59,58	23,75	...	23,75	55,60	3,81	59,41	68,07	8,35	...	14·9
November ...	1,60,21	23,86	...	23,86	56,05	3,88	59,93	68,07	8,35	...	14·9
December ...	1,61,40	23,89	...	23,89	57,13	3,96	61,09	68,07	8,35	...	14·8
1921											
January ...	1,63,41	24,00	...	24,00	58,95	4,04	62,99	68,07	8,35	...	14·7
February ...	1,64,60	24,06	...	24,06	60,03	4,09	64,12	68,07	8,35	...	14·6
March ...	1,66,16	24,17	...	24,17	61,42	4,14	65,56	68,07	8,35	...	14·5
April ...	1,67,32	24,26	...	24,26	62,45	4.20	66,65	68,06	8,35	...	14·5
May ...	1,67,81	24,30	...	24,30	62,97	4,20	67,17	67,99	8,35	...	14·5
June ...	1,71,76	24,35	...	24,35	66,87	4,20	71,07	67,99	8,35	...	14·2
July ...	1,75,56	24,35	...	24,35	70,60	4,21	74,81	68,05	8,35	...	13·9
August ...	1,76,02	24,35	...	24,35	72,19	4,21	76,40	66,92	8,35	...	13·8
September ...	1,78,37	24,34	...	24,34	74,55	4,21	78,76	66,92	8,35	...	13·6
October ...	1,79,72	24,34	...	24,34	75,76	4,21	79,97	67,06	8,35	...	13·5
November ...	1,73,48	24,33	...	24,33	74,20	4,21	78,41	64,40	6,34	...	14·0
December ...	1,72,53	24,32	...	24,32	69,76	4,21	73,97	63,40	5,35	...	14·1

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1922											
January ...	1,74,40	24,32	...	24,32	70,28	4,55	74,83	69,89	5,85	...	13·9
February ...	1,73,87	24,32	...	24,32	71,72	4,55	76,27	67,43	5,85	...	14·0
March	1,74,76	24,32	...	24,32	72,96	4,56	77,52	65,08	5,85	2,00	13·9
April	1,71,76	24,32	...	24,32	71,95	4,56	76,51	65,09	5,85	...	14·2
May	1,72,39	24,32	...	24,32	72,50	4,56	77,06	65,17	5,85	...	14·1
June	1,76,01	24,32	...	24,32	76,17	4,56	80,73	65,12	5,85	...	13·8
July	1,80,41	24,32	...	24,32	80,53	4,56	85,09	65,15	5,85	...	13·5
August	1,82,26	24,32	...	24,32	83,76	4,56	88,32	63,78	5,85	...	13·3
September ...	1,80,76	24,32	...	24.32	85,11	4,56	89,67	60,92	5,85	...	13·5
October	1,79,63	24,32	...	24,32	86,54	4,56	91,10	58,37	5,85	...	13·5
November ...	1,77,30	24,32	...	24,32	85,16	4,56	89,72	57,42	5,85	...	13·7
December ..	1,74,18	24,32	...	24,32	82,03	5,56	86,59	57,42	5,85	...	14·0
1923											
January ...	1,72,65	24,32	...	24,32	80,49	4,56	85,05	57,43	5,85	...	14·1
February ...	1,73,89	24,32	...	24,32	81,73	4,56	86,29	57,43	5,85	...	14·0
March ...	1,74,70	24,32	...	24,32	82,50	4,56	87,06	57,48	5,85	...	13·9
April	1,73,37	24,32	...	24,32	79,09	4,56	83,65	57,55	5,85	2,00	14·0
May	1,71,23	24,32	...	24,32	79,01	4,56	83,57	57,50	5,85	...	14·2
June	1,73,61	24,32	...	24,32	81,39	4,56	85,95	57,50	5,85	...	14·0
July	1,75,72	24,32	...	24,32	85,48	4.56	90,04	57,51	5,85	...	13·8
August	1,76,30	24,32	...	24,32	89,91	4,56	94,47	57,51	...	...	13·8
September ...	1,79,29	24,32	...	24,32	92,66	4,83	97,49	57,48	...	...	13·6
October ...	1,80,82	24,32	...	24,32	93,48	5,54	99,02	57.48	...		13·4
November ...	1,78,30	22,32	...	22,32	89,88	5,62	95,50	57,48	3,00		12·5
December ...	1,83,41	22,32	...	22,32	80,97	5,64	86,61	57,48	9,00	8,00	12·2

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold			Silver			Securities		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1924											
January ..	1,84,02	22,32	...	22,32	76,49	5,69	82,18	57,52	14,00	8,00	12·1
February ...	1,86,19	22,32	...	22,32	74,64	5.70	80,34	57,53	14,00	12,00	12·0
March	1,85,85	22,32	...	22,32	74,18	5,82	80,00	57,53	14,00	12,00	12·0
April	1,81,33	22,32	...	22,32	71,50	5,99	77,49	57,53	14,00	10,00	12·3
May	1,74,51	22,32	...	22,32	70,56	6,10	76,66	57,53	14,00	4,00	12·8
June	1,72,49	22,32	...	22,32	72,47	6,18	78,65	57,53	14,00	...	12·9
July	1,76,24	22,32	...	22,32	76,23	6,34	82,57	57,35	14,00	...	12·7
August ...	1,78,13	22,32	...	22,32	78,06	6,42	84,48	57,34	14,00	...	12·5
September ...	1,79,26	22,32	...	22,32	79,15	6,48	85,63	57,31	14,00	...	12·4
October ...	1,80,98	22,32	...	22,32	80,07	6,47	86,54	57,13	15,00	...	12·3
November ...	1,80,06	22,32	...	22,32	78,13	6,49	84,62	57,13	16,00	...	12·4
December ...	1,79,21	22,32	...	22,32	74,21	6,56	80,77	57,13	17,00	2,00	12·4
1925											
January... ...	1,81,12	22,32	...	22,32	71,11	6,56	77,67	57,13	20,00	4,00	12·3
February ..	1,83,72	22,32	...	22,32	69,51	6,77	76,28	57,13	20,00	8,00	12·2
March	1,84,19	22,32	...	22,32	70,02	6,73	76,75	57,13	20,00	8,00	12·1
April	1,79,61	22,32	...	22,32	67,40	6,77	74,17	57,13	20,00	6,00	12·4
May	1,73,23	22,32	...	22,32	66,95	6,80	73,75	57,16	20,00	...	12·9
June	1,78,25	22,32	...	22,32	71,86	6,89	78,75	57,18	20,00	...	12·5
July	1,84,30	22,32	...	22,32	77,85	6,95	84,80	57,18	20,00	...	12·1
August ...	1,88,21	22,32	...	22,32	81,79	6,99	88,78	57,12	20,00	...	11·9
September ...	1,89,51	22,32	...	22,32	83,04	7,05	90,09	57,11	20,00	...	11·8
October ...	1,91,77	22,32	...	22,32	83,21	7,13	90,34	57,11	22,00	...	11·6
November ...	1,89,68	22,32	...	22,32	80,02	7,23	87,25	57,11	23,00	..	11·8
December ...	1,91,76	22,32	...	22,32	76,06	7,27	83,33	57,11	29,00	...	11·6

Composition of Paper Currency Reserve.—(*Contd.*)

(*In Lakhs of Rupees*)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1926											
January ...	1,91,18	22,32	...	22,32	75,38	7,37	82,75	57,11	29,00	...	11·67
February ..	1,91,76	22,32	...	22,32	75,91	7,42	83,33	57,11	29,00	...	11·63
March ...	1,93,34	22,32	...	22,32	77,25	7,66	84,91	57,11	29,00	...	11·54
April ...	1,85,13	22,32	...	22,32	77,04	7,66	84,70	57,11	21,00	...	12·05
May ...	1,87,08	22,32	...	22,32	78,85	7,75	86,60	57,16	21,00	...	12·00
June ...	1,91,44	22,32	...	22,32	83,05	7,87	90,92	57,20	21,00	..	11·65
July ...	1,97,48	22,32	...	22,32	88,91	7,94	96,85	57,31	21,00	...	11·30
August ...	2,00,58	22,32	...	22,32	91,96	7,87	99,83	57,38	21,00	...	11·13
September ...	1,96,45	22,32	...	22,32	94,86	7,87	1,02,73	57,40	14,00	...	71·36
October ...	1,93,79	22,32	...	22,32	96,83	8,04	1,04,87	52,60	14,00	...	11·50
November ...	1,89.15	22,32	...	22,32	97,52	8,04	1,05,56	51,27	10,00	..	11·80
December ...	1,81,18	22,32	...	22,32	95,32	8,20	1,03,52	49,77	5,57	...	12·30
1927											
January ...	1,80,47	22,32	...	22,32	94,47	8,34	1,02,81	49,77	5,57	...	12·37
February ...	1,82,74	22,32	...	22,32	94,64	8,44	1,03,08	49,77	5.57	2,00	12·35
March ...	1,84,13	22,32	..	22,32	95,94	8,53	1,04,47	49,77	5,57	2,00	12·25
April ...	1,73,71	29,76	...	29,76	95,53	8,86	1,03,39	37,46	2,10	...	17·13
May ...	1,71,44	29,76	...	29,76	95,20	8,92	1,04,12	35,46	2,10	...	17·36
June ...	1,72,57	29,76	...	29,76	98,36	8,99	1,07.35	35,46	...	...	17·24
July ...	1,77,63	29,76	...	29,76	1,03,36	9,06	1,12,42	35,45		...	16·75
August ..	1,80,48	29.76	...	29,76	1,06,00	8,90	1,14,90	35,63	19	...	10·49
September ..	1,81,82	29,76	...	29,76	1,07,34	7,35	1,14,69	36,35	1,02	...	16·37
October ...	1,83,38	29,76	..	29.76	1,08,27	7,31	1,15,58	36,75	1,29	...	16·25
November ...	1,81,55	29,76	...	29.76	1,06.33	7,17	1,13,50	36,89	1,40	...	16·40
December ..	1,82,64	29,76	..	29,76	1,01,11	7,42	1.08,53	36,92	3,43	4,00	16·66

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1928											
January	1,86,02	29,76	......	29,76	98,46	7,47	1,05,93	37,89	4,44	8,00	16·70
February	1,85,78	29,76	......	29,76	98,79	7,57	1,06,36	37,89	3,77	8,00	16·72
March	1,84,87	29,76	......	29,76	98,72	7,66	1,06,38	37,96	3,77	7,00	16·73
April	1,82,78	29,76	......	29,76	96,11	6,66	1,02,77	38,98	3,77	7,50	17·00
May	1,83,01	29,76	......	29,76	94,58	6,30	1,00,38	39,60	3,77	9,00	17·10
June	1,77,16	29,76	......	29,76	97,45	3,59	1,01,04	41,84	4,52	......	16·80
July	1,80,79	29,76	......	29,76	1,00,79	2,34	1,03,13	42,73	5,17	......	16·46
August	1,82,90	29,76	......	29,76	1,02,51	2,71	1,05,22	42,60	5,32	......	16·27
September ...	1,84,60	29,76	......	29,76	1,04,02	2,87	1,06,89	42,34	5,61	......	16·72
October	1,84,66	29,76	......	29,76	1,03,81	3,02	1,06,83	42,33	5,74	......	16·11
November ...	1,83,15	30,09	......	30,09	1,01,13	3,76	1,04,89	42,33	5,84	......	16·43
December	1,89,00	31,10	......	31,10	96,16	4,62	1,00,78	43,27	6,85	7,00	17·09
1929											
January	1,89,74	32,21	......	32,21	94,67	4,88	99,55	43,27	7,71	7,00	17·62
February	1,92,47	32,21	......	32,21	94,85	5,11	99,96	43,27	10,53	6,50	17·32
March	1,88,03	32,22	......	32,22	94,94	4,95	99,89	43,23	10,69	2,00	17·32
April	1,83,66	32,22	......	32,22	94,90	4,48	99,38	43,23	8,83	......	17·32
May	1,84,16	32,22	......	32,22	95,40	4,17	99,57	43,23	9,14	......	17·50
June	1,87,71	32,22	......	32,22	97,77	4,88	1,02,65	43,22	9,62	......	17·11
July	1,85,72	32,22	......	32,22	1,03,82	4,62	1,08,44	43,19	1,87	......	17·35
August	1,85,20	32,22	......	32,22	1,07,23	4,58	1,11,81	39,13	2,04	......	17·40
September ...	1,86,80	32,22	......	32,22	1,08,05	4,95	1,13,00	39,17	2,41	......	17·25
October	1,84,83	32,22	......	32,22	1,08,93	4,65	1,13,58	36,32	2,71	......	16·99
November ...	1,80,77	32,22	......	32,22	1,07,19	3,97	1,11,16	36,32	1,07	......	17·82
December ...	1,79,41	32,22	......	32,22	1,03,77	4,28	1,08,05	37,33	1,81	......	17·98

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1930											
January	1,80,21	32,27	......	32,27	1,04,29	2,33	1,06,62	38,85	2,47	......	17·91
February	1,81,60	32,27	......	32,27	1,05,69	1,82	1,07,51	38,88	2,94	......	17·77
March	1,77,23	32,27	......	32,27	1,08,11	2,85	1,10,96	33,85	15	......	18·20
April	1,73,90	32,27	......	32,27	1,07,22	3,38	1,10,60	30,73	30	......	18·55
May	1,67,78	32,28	......	32,28	1,07,04	3,48	1,10,52	24,36	62	......	19·24
June	1,63,73	32,28	......	32,28	1,08,91	3,48	1,12,39	18,33	73	......	19·10
July	1,68,26	32,28	......	32,28	1,13,37	3,49	1,16,86	18,39	73	......	19·18
August	1,68,87	32,28	......	32,28	1,15,43	5,25	1,20,68	14,68	1,23	......	19·11
September... ...	1,71,47	32,28	......	32,28	1,15,92	5,83	1,21,75	15,59	1,85	......	18·82
October	1,70,14	32,23	......	32,23	1,17,47	5,63	1,23,10	12,73	2,03	......	18·97
November ...	1,64,84	32,28	......	32,28	1,16,90	5,76	1,22,66	8,67	1,23	......	19·58
December	1,61,34	31,74	......	31,74	1,14,60	5,39	1,19,99	9,61	......	......	19·67
1931											
January	1,58,20	26,21	......	26,21	1,15,32	5,80	1,21,12	9,87	......	1,00	16·67
February	1,56,53	23,77	......	23,77	1,16,09	6,58	1,22,67	10,09	......	......	15·18
March	1,60,84	25,85	......	25,85	1,17,86	6,94	1,24,80	10,19	......	......	16·00
April	1,60,14	27,54	......	27,54	1,18,20	7,20	1,25,40	7,20	......	......	17·20
May	1,54,79	20,21	......	20,21	1,19,61	7,83	1,27,44	7,14	......	......	13·05
June	1,52,54	17,14	......	17,14	1,22,44	7,59	1,30,03	5,37	......	......	11·23
July	1,55,65	16,56	......	16,56	1,25,66	6,90	1,32,56	6,53	......	......	10·64
August	1,53,58	12,37	......	12,37	1,26,94	5,11	1,32,05	9,16	......	......	14·68
September ...	1,48,74	4,21	......	4,21	1,26,81	5,73	1,32,54	9,49	......	2,50	2·88
October	1,59,75	4,30	......	4,30	1,24,65	6,92	1,31,57	23,88	......	......	2·77
November ...	1,62,35	4,48	......	4,48	1,21,61	7,44	1,29,05	28,52	......	......	2·76
December	1,79,30	4,57	......	4,57	1,15,04	7,94	1,22,98	49,25	......	2,50	2·58

Composition of the Paper Currency Reserve.—(*Contd.*)

(*In Lakhs of Rupees*)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1932											
January	1,79,16	4,83	...	4,83	1,08,88	6,95	1,15,83	55,00	...	3,50	2·74
February	1,79,54	4,92	...	4,92	1,04,11	8,09	1,12,20	59,42	...	3,00	2·78
March	1,78,14	5,26	...	5,26	1,01,96	9,22	1,11,18	57,94	...	3,75	3·01
April	1,68,31	5,53	...	5,53	1,00,81	9,69	1,10,50	52,28	...	...	3·27
May	1,68,47	10,71	...	10,71	99,83	10,67	1,10,50	47,26	...	...	6·35
June	1,70,85	10,78	...	10,78	1,01,30	10,58	1,11,88	48,19	...	...	6·32
July	1,74,23	10,86	...	10,86	1,03,64	10,75	1,14,39	48,98	...	...	6·26
August	1,75,58	11,11	...	11,11	1,04,04	10,98	1,15,02	49,45	...	...	6·32
September	1,75,77	11,34	...	11,34	1,03,01	12,28	1,15,29	49,14	...	..	6·48
October	1,75,85	11,53	...	11,53	1,02,06	12,86	1,14,92	49,40	...	...	6·54
November	1,75,63	11,75	...	11,75	1,00,49	12,48	1,12,97	50,91	...	...	6·72
December	1,74,80	18,68	...	18,68	97,83	12,83	1,10,66	45,46	...	...	10·70
1933											
January	1,74,33	25,52	...	25,52	96,26	13,28	1,09,54	39,27	...	...	14·64
February	1,75,25	25,68	...	25,68	96,03	14,34	1,10,37	39,20	...	...	14·65
March	1,76,90	25,99	...	25,99	96,34	15,52	1,11,86	39,05	...	...	14·70
April	1,76,66	26,26	...	26,26	95,70	15,88	1,11,58	38,82	...	..	14·80
May	1,75,69	26,45	...	26,45	94,27	14,94	1,09,21	40,03	...	...	15·05
June	1,76,57	29,07	...	29,07	93,92	9,52	1,03,44	44,06	...	...	16·45
July	1,78,88	29,13	...	29,13	95,28	9,84	1,05,12	44,63	...	..	16·30
August	1,79,76	29,31	...	29,31	95,45	9,96	1,05,41	45,04	...	...	16·30
September	1,79,70	29,51	...	29,51	94,61	10,16	1,04,77	45,42	...	...	16·40
October	1,80,04	29,70	...	29,70	94,33	9,91	1,04,24	46,10	...	...	16·50
November	1,79,64	30,24	...	30,24	92,97	10,30	1,03,27	46,13	...	...	16·80
December	1,78,11	30,51	...	30,51	90,74	10,49	1,01,23	46,37	...	...	17·10

Composition of the Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1934											
January	1,77,99	37,32	...	37,32	89,61	10,70	1,00,31	40,36	..	...	21·00
February	1,77,29	37,56	...	37,56	87,81	11,13	98,94	40,79	...	...	21·20
March	1,77,22	41,53	...	41,53	86,49	11,50	97,99	29,45	8,25	...	23·40
April	1,76,86	41,55	...	41,55	85,51	11,83	97,34	29,46	8,51	...	23·47
May	1,79,39	41,55	...	41,55	83,94	12,37	96,31	29,84	11,69	...	23·17
June	1,80,87	41,53	...	41,55	84,22	12,95	97,17	30,18	11,97	...	23·00
July	1,83,80	41,55	...	41,53	85,69	13,70	99,39	30,65	12,21	...	22·60
August	1,84,89	41,53	...	41,53	85,91	13,24	99,15	31,51	12,68	...	22.47
September	1,85,06	41,55	...	41,53	85,26	13,29	93,15	31,96	13,00	..	22·46
October	1,85,64	41,55	. .	41,53	84,40	13,41	97,81	32,84	13,44	...	22·38
November	1,85,53	41,53	...	41,53	83,19	13,54	95,73	33,21	14,07	.	22·40
December	1,83,91	41,55	...	41,53	80,85	14,23	95,03	33,04	14,24	..	22·59
1935											
January	1,83,58	41,55	...	41,55	80,04	13,82	93,86	38,82	14,35	...	22·63
February	1,83,21	41,55	...	41,55	78,55	12,93	91,48	35,61	14,57	...	22·68
March	1,86,10	41,55	...	41,55	77,25	13,13	90,38	35,90	18,27	...	22·32

Composition of Paper Currency Reserve—(*Contd*).

(In Lakhs of Rupees)

Last Week of Month	Gross Note Circulation	Gold: Coin and Bullion	Silver: Rupee Coin	Securities: Rupee Securities	Securities: Sterling Securities	Percentage of Gold and Sterling Securities to Note Circulation
1935						
April	1,86,28	44,42	50,18	43,05	48,63	49·95
May	1,86,44	44,42	50,34	41,06	50,62	50·04
June	1,88,01	44,42	51,91	38,49	53,19	52·08
July	1,90,82	44,42	54,72	26,49	65,19	57·44
August	1,93,03	44,42	56,93	26,49	65,19	57·01
September	1,94,72	44,42	58,01	25,50	66,19	56·98
October	1,94,72	44,42	58,59	25,52	66,19	56·81
November	1,94,96	44,42	58,82	25,53	66,19	56·74
December	1,93,27	44,42	57,11	25,55	66,19	57·23
Months average						
1936						
January	1,93,91	44,42	57,76	25,54	66,19	57·04
February	1,94,91	44,42	58,75	24,42	67 32	57·38
March	1,95,58	44,42	59,41	24,43	67,82	57·18
April	1,95,36	44,42	59,19	23,93	67,82	57·45
May	1,95,36	44,42	59,49	23,44	68,82	57·61
June	1,97,98	44,42	61,78	23,46	68,82	56·95
July	2,00,63	44,42	65,09	23,40	67,72	55·89
August	2,01,88	44,42	66,74	23,40	67,82	55·35
September	2,02,73	44,42	67,59	23.40	67,32	55·11
October	2,02,95	44,42	67.79	23,42	67,32	55·06
November	2,02,36	44,42	67,21	23,41	67,32	55·22
December	2,00,62	44,42	65,47	23,41	67,32	55·69
1937						
January	2,04,21	44.42	63,70	24,18	71,91	56·96
February	2.07,76	44,42	62,16	24,37	76,81	58·85
March	6,08,30	44,42	61,90	23,62	78,06	58·88

Statistics of the Reserve Bank of India for the Months of 1935-38

ISSUE DEPARTMENT

In Lakhs of Rupees

Month	Notes held in Banking Dept.	Notes in circulation	Total	Gold Coin & Bullion	Sterling Security	Rupee Coin	Rupee Security	% of Gold & sterling securities to total Notes issued
1935								
April ...	18,58	167,51	186.09	44,42	48.63	49,99	43,05	50·02
May ...	18,53	167,02	185,85	44,42	49.03	49.75	42,65	50·28
June ...	21,90	165,14	187,04	44,42	52,94	50,94	38,74	52·05
July ...	30,30	159.41	180,71	44,42	65,19	53,61	26,49	57·78
August ...	35,33	156,57	191,90	44,42	65,19	55,80	26,49	57·12
September	35,98	157,44	193.42	44,42	66,69	57,31	26,00	56·93
October .	33,65	160,68	194.33	44,42	66,19	58,20	25,52	56·92
November	33,32	161,37	194,69	44,42	66,19	58,56	25,52	56·81
December	27,47	166,53	194,00	44,42	66,19	57,85	25,54	57·01
1936								
January..	24,67	168,96	193,63	44,42	66,19	57,48	25,54	57·12
February	25,46	168,73	194,19	44,42	66,75	58,04	24,98	57·25
March ...	24,95	169,98	194,93	44,42	67,32	58,77	24,42	57·32
April ...	23,64	171,72	195,36	44,42	67,82	59,19	23,98	57·45
May	26,40	169,27	195,67	44,42	68.32	59,49	23,44	57·61
June ...	31,78	166,20	197,98	44,42	68,32	61,78	23,46	56·95
July ...	37,31	163,32	200,63	44,42	67,72	65,09	23,40	55·89
August ...	38,54	163,34	201,88	44,42	67,32	66,74	23,40	55·35
September	37,36	165,37	202.73	44,42	67,32	67,59	23,40	55·11
October ...	33,83	169,62	20,295	44,42	67,32	67,79	23,42	55·06
November	26,97	175,39	202,36	44,42	67,32	67,21	23,41	55·22
December	16,97	183,70	200,62	44,42	67,32	65,27	23,41	55·69
January...	11,12	193,09	204,21	44,42	71,91	63,70	24,18	56·96
February	11,62	196,14	207,76	44,42	76,81	62,16	24,37	58·35
March ...	13,45	194,55	208,00	44,42	78,06	61,90	23,62	58·88
1937								
April ...	12,89 (1)	194,98 (98)	207,87 (99)	44,42	79,91	58,17	25,37	59·81
May ...	13,53 (1)	193,40 (192)	206,93 (193)	44,42	80,31	54,88	27,37	60·28
June ...	17,49 (1)	189,94 (238)	207,43 (239)	44,42	80,31	55,34	27,37	60·13
July ...	2[illegible],60 (2)	183,51 (286)	210,11 (288)	44,42	80,31	58,01	27.37	59·36
August ...	32,67 (1)	179,74 (331)	212,41 (332)	44,42	80,31	60,82	27,38	58·72
September	32,38 (1)	181,04 (377)	213,42 (378)	44,42	80,31	61,31	27,39	58·44
October ...	30,64 (1)	183,43 (402)	214,07 (403)	44,42	80,31	61,96	27,39	58·27
November	31,20 (1)	183,09 (417)	214,29 (418)	44,42	80,31	62,19	27,38	58·21
December	31,12 (1)	183,50 (455)	214.62 (456)	44,42	80,31	62,52	27,38	58·11
1938								
January...	28,17 (2)	184,99 (538)	213,16 (540)	44,42	78,81	62,54	27,40	57·81
February	26,31 (1)	187,09 (689)	213,40 (690)	44,42	78,81	62,77	27,40	57·75
March ...	24,64 (–)	188,91 (810)	213,55 (810)	44,42	78,81	62,93	27,39	57·71
Average for 1937-38	25,64 (1)	186,14 (403)	211,78 (404)	44,42	79,90	60,24	27,22	58·70

(Burma notes are shown in brackets)

Statistics of Reserve Bank of India for the Years 1935-38
BANKING DEPARTMENT

	Deposits									
	Govt.	Banks	Other A/c.	Total	Other Liabilities	Notes and Coin	Balances held abroad	Loans and advances to Govt.	Investments	Other assets
April 1935...	17,87	7,95	...	25,82	17	18,65	12,10	...	5,05	19
May ...	17,13	13,16	...	30,29	48	18,92	16,23	...	5,25	37
June ...	20,23	15,45	..	35,68	59	21,97	17,74	...	6,03	64
July ...	9,31	25,42	...	34,73	55	30,39	30,9	...	6,16	77
August ...	11,96	30,98	...	42,94	1,05	35,47	11,92	...	5,80	44
September...	10,96	36,78	...	47,74	93	36,11	15,69	...	5,43	1,07
October ...	9,93	30,24	...	40,17	1,18	33,78	11,60	...	5,31	54
November...	8,51	31,25	...	39,76	1,51	33,45	11,85	60	5,23	56
December ...	9,78	28,75	6	38,59	1,94	27,58	16,59	50	5,29	63
January ...	6,21	34,49	30	41,20	1,08	24,75	17,55	4,40	5,16	29
February ...	6,68	35,63	36	42,60	72	25,55	20,00	2,25	5,07	36
March 1936	6,98	36,59	32	43,89	60	25,05	21,70	2,25	5,02	42
April 1936	6,98	35,73	28	42,99	74	23,73	20,93	3,50	5,15	55
May ...	9,21	31,54	39	41,14	81	26,50	15,95	3,80	6,05	55
June ...	15,45	27,44	43	43,32	80	31,88	15,39	...	5,90	80
July ...	9,13	32,49	46	42,08	97	37,40	7,17	1,80	5,78	78
August ...	6,62	33,25	43	40,30	1,14	38,67	3,30	3,00	5,57	69
September...	9,23	29,12	40	38,75	1,29	37,50	5,21	1,00	5,56	76
October ...	9,57	25,92	33	35,82	1,56	33,44	6,90	40	5,53	1,08
November...	8,11	25,03	43	33,57	1,69	27,09	10,34	1,25	6,28	1,05
December ...	7,26	21,31	42	28,99	2,00	16,99	13,59	3,00	6,73	1,13
January ...	9,45	16,18	31	25,94	1,23	11,18	17,43	60	7,58	1,23
February .	13,15	17,71	43	31,29	77	11,69	22,31	...	7,60	48
March 1937	14,38	22,97	53	37,83	64	13,52	26,65	...	6,28	71
April 1937	11,15	25,47	55	37,17	38	12,97	25,91	60	7,41	41
May 1937	10,31	26,25	59	37,15	37	13,62	25,58	50	7,20	50
June ...	10,75	26,51	55	37,81	47	17,56	23,01	...	8,28	58
July ..	9,98	33,00	53	43,51	61	79,26	17,52	1,00	8,10	71
August ...	9,75	36,47	51	46,73	83	32,76	15,22	75	7,82	79
September	13,37	29,47	68	43,52	89	32,47	13,21	...	6,78	88
October ...	12,59	24,90	52	38,01	1 16	30,78	10,76	.	6,68	95
November ..	9,46	25,47	76	35,69	1,25	31,30	7,26	75	6,28	1,08
December ...	9,05	24,36	1,15	34,56	1,23	31,20	4,11	3,20	6,08	1,10
Jan. 1938	10,99	17,26	1,43	29,68	67	28,25	3,38	2,25	6,30	54
Feb. 1938	14,36	13,85	54	28,75	68	26,40	6,25	...	6,72	54
March ...	15,35	14,57	54	30,46	66	24,74	8,47	...	7,11	60
Average for 1937-38 ...	11,43	24,80	69	36,92	77	25,72	13,39	75	7,75	72

Capital and Reserves, Rupees Ten Crores.

Statistics of Scheduled Banks from 1935-36 to 1937-38

(In Lakhs of Rupees)

Month (Average of weekly figures)		Demand liabilities in India	Time liabilities in India	Cash in India	Balances with Reserve Bank	Advances in India	Bills discounted in India
April	1935	...	...	...	...	...	...
May	...	...	...	...	.	...	...
June	...	...	...	...	...	...	...
July	...	109,17	98,83	5,06	25,31	99,45	3,29
August	...	110.65	98.40	6,30	30,77	91,87	2,87
September		115,58	97,73	6,43	36,29	86,76	2,28
October	...	121,21	96,40	5,83	29,72	84,78	2,28
November	..	126,23	97,04	6,12	30,80	81,17	2,88
December	...	124,27	98,29	6,34	28,51	81,85	3,45
January	1936	122,98	99,35	6,05	34,23	84,68	3,45
February	...	120,60	100,87	5.56	35,28	87,98	2,61
March	...	120,46	101,30	5,64	35,84	92,09	2,51
April	...	120,93	101,00	5,65	35,36	95,05	2,65
May	...	122,53	101.66	5,82	30,93	93,30	3,57
June	...	122,91	101,19	6,07	27,10	91,92	4,83
July	...	126,62	100,11	5,92	32,36	89,09	3,98
August	...	128,88	100,79	5,79	32,90	87,35	5,20
September	...	129,04	101,22	5,69	28,81	86,47	5,94
October	...	131,39	99,47	5,91	25.62	86,72	6,02
November	...	132,30	99,33	6,04	24,65	89,22	5,74
December	...	131,60	101,13	6,71	20,75	93,46	4,76
January	1937	132,80	102,63	6,12	16,83	104,10	5,69
February	...	131,30	103,41	6,24	17,22	110,59	7,10
March	...	133,16	104,67	6,23	22,51	115,92	7,79
April	...	133,54 (5,74)	105,63 (5,12)	5,99 (26)	25,20	122.56 (7,08)	8,15 (42)
May	...	134,52 (5,98)	107,38 (5,15)	6,20 (28)	26,04	122,70 (6,50)	7,55 (29)
June	...	133,19 (5,88)	108,56 (5,35)	6,43 (26)	26,42	119,08 (5 78)	6,82 (24)
July	...	133,16 (5,90)	109,14 (5,30)	6,49 (24)	32,72	118,19 (5 08)	5,82 (22)
August	...	133,75 (5,85)	110,27 (5,23)	6,52 (22)	35,82	108,72 (5,29)	5,13 (20)
September	...	132,95 (5,81)	110,18 (5,20)	6,46 (24)	29,26	106,89 (4,90)	4,90 15)
October	..	134,28 (6,01)	109,46 (4,99)	7,15 (27)	24,45	106,97 (4,59)	4,66 (18)
November	...	135,67 (6,21)	108,98 (4,87)	7,71 (26)	24,89	105,56 (4,45)	3,55 (28)
December	...	132,18 (6,15)	109,63 (4,88)	7,34 (23)	28,90	105,21 (4,30)	6,03 (27)
January	1938	131,15 (5,86)	109,87 (4,89)	6,54 (28)	17,05	111,22 (4,52)	6,58 (33)
February	...	128,38 (5,82)	110,09 (4,81)	6,31 (21)	13,46	116,72 (5,11)	6,83 (38)
March	..	127,78 (5,69)	110,02 (4,84)	6,20 (22)	14,30	122,15 (5,61)	7,17 (38)
Average for 1937-38		113,21 (5,91)	109,10 (5,05)	6,61 (24)	24,46	113,41 (5,26)	6,26 (28)

Burma figures are shown in Brackets.

Rates of Discount of Central Banks of certain countries 1935-36 to 1937-38.

(Rates Per cent)

1935-36

End of	United Kingdom	United States: F. R. B. rate for 60—90 days Paper	United States: F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1·5	2·13	4	2·5	3·5	3·65	2	3·5
May	2	1·5	1·98	4	6	3·5	3·65	2·5	3·5
June	2	1·5	1·91	4	5	3·5	3·65	2·5	3·5
July	2	1·5	1·91	4	3·5	3·5	3·65	2·5	3·5
August	2	1·5	1·91	4	3	3·5	3·65	2·5	4·5
September	2	1·5	1·91	4	3	3·5	3·65	2·5	5
October	2	1·5	1·91	4	3	3·5	3·65	2·5	5
November	2	1·5	1·91	4	6	3	3·65	2·5	5
December	2	1·5	1·91	4	5	3	3·65	2·5	5
January	2	1·5	1·91	4	4	3	3·65	2·5	5
February	2	1·5	1·91	4	5	3	3·65	2·5	5
March	2	1·5	1·91	4	5	3	3·65	2·5	·5

1936-37

End of	United Kingdom	United States: F. R. B. rate for 60—90 days Paper	United States: F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1.5	1·91	4	5	3	3·65	2·5	5
May	2	1·5	1·91	4	6	3	3·65	2·5	4·5
June	2	1·	1·91	4	4	3	3·65	2·5	4·5
July	2	1·5	1·91	4	3	3	3·65	2·5	4·5
August	2	1·5	1·91	4	3	3	3·65	2 5	4·5
September	2	1·5	1·91	4	5	3	3·65	2	4·5
October	2	1·5	1·91	4	2	3	3 65	2	4·5
November	2	1·5	1·91	4	2	3	3·65	1·5	4·5
December	2	1·5	1·91	4	2	3	3·65	1·5	4·5
January	2	1·5	1·91	4	4	3	3·65	1·5	4·5
February	2	1·5	1·91	4	4	3	3·65	1·5	4·5
March	2	1 5	1·91	4	4	3	3.95	1·5	4·5

1937-38

End of	United Kingdom	United States: F. R. B. rate for 60—90 days Paper	United States: F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1.5	1·91	4	4	3	3·29	1·5	4·5
May	2	1·5	1·91	4	4	3	3·29	1·5	4·5
June	2	1·5	1·91	4	6	3	3·29	1·5	4·5
July	2	1·5	1·91	4	5	3	3·29	1·5	4·5
August	2	1	1·86	4	4	3	3·29	1·5	4·5
September	2	1	1·47	4	3·5	3	3·29	1·5	4·5
October	2	1	1·46	4	3·5	3	3·29	1·5	4·5
November	2	1	1·46	4	3	3	3·2	1·5	4·5
December	2	1	1·46	4	3	3	3·29	1·5	4.5
January	2	1	1·46	4	3	3	3·29	1·5	4·5
February	2	1	1·46	4	3	3	3·29	1·5	4·5
March	2	1	1·46	4	3	3	3·46	1·5	4·5

Gold and Foreign Assets Reserves of Certain Countries 1937-38.

In millions of units

End of	United States: F. R. Banks and Government: Gold against certificates	United States: Other Gold Reserves	United States: Total Gold Stock	United Kingdom: Bank of England: Gold	Germany: Reichs Bank: Gold	Germany: Reichs Bank: Foreign Assets	France: Bank of France: Gold	France: Sight bills	France: Short term	Canada: Govt. Gold: Foreign Assets	Canada: Chartered Banks: Gold	Canada: Chartered Banks: Foreign Assets	Switzerland: Gold	Switzerland: Foreign Assets	British India: Gold: At Home	British India: Gold: Abroad	British India: Foreign Assets
	Dollars			(£)	Reichs mark		Francs			Dollars			Francs		Rupees		
April 1937 ...	90	11,709	11,799	314·7	68	6	57,359	13	1,100	4	3	—90	2,628	19	415	29	1,076
May ,, ...	89	11,902	11,990	322·1	69	6	57,359	14	1,040	4	2	—101	2,624	21	415	29	1,048
June ,, ...	88	12,230	12,318	327·3	69	6	54,859	18	1,040	4	3	—116	2,624	66	415	29	1,031
July ,, ...	87	12,358	12,446	327·5	69	6	55,677	14	936	4	4	—106	2,594	91	415	29	969
August ,, ...	86	12,431	12,567	327·9	70	6	55,718	14	897	5	4	—130	2,544	208	415	29	947
September ,, ...	86	12,656	12,741	328·1	70	6	55,805	13	812	6	3	—119	2,581	405	415	29	930
October ,, ...	84	12,719	12,803	328·0	70	6	55,805	18	811	3	4	—115	2,672	483	415	29	899
November ,, ...	84	12,690	12,774	327·9	70	6	58,932	17	948	5	4	—108	2,663	490	415	29	859
December ,, ...	83	12,671	12,760	327·2	70	6	58,933	22	889	5	2	—116	2,679	491	415	29	839
January 1938 ...	82	12,673	12,755	327·0	71	5	58,933	17	854	6	3	—109	2,842	492	415	29	837
February ,, ...	81	12,695	12,776	327·2	71	5	55,8[illegible]7	36	838	.	5	—102	2,890	491	415	29	860
March ,, ...	...	...	12,794	327·7	71	5	55,807	18	829	...	...	...	2,890	487	415	29	883

Money Market Rates in Certain Principal Countries

Period	U. K.			France			Germany		Japan		Switzerland	United States				
	Bank Bills 3 Months	Treasury Bills 3 Months	Day to Day money	Commercial Paper 45-90 days	Treasury Bills 1-3 months	Day to Day money	Private discount 56-90 days	Day to Day money	Commercial Paper 60 days	Day to day call money	Private discount 3 months	Commercial Paper 4-6 months	Bankers acceptances 9 days	Treasury Bills	Collection rate	Bank Loan rate
Average																
1929 ...	5·26	5·26	4·47	3·46	...	3·04	6·17	...	4·85	3·60	3·31	5·54	5·03	3·25	7·61	6·14
1930 ...	2·57	2·48	2·27	2·32	2·32	2·09	4·43	...	4·85	3·47	2·01	3·58	2·46	2·49	2·94	5·72
1931 ...	3·61	3·59	2·94	1,57	1·41	1·29	6·14	...	4·85	4·49	1·44	2·67	1·58	1·49	1·74	5·89
1932 ...	1·87	1·49	1·61	1,28	1·00	0·74	4·95	...	5·24	2·62	1·52	2·84	1·28	0·90	2·05	5·62
1933 ...	0·69	0·59	0·69	1·83	1·76	1·38	3·88	...	4·49	2·56	1·50	1·72	0·60	0·52	1·14	5·56
1934 ...	0·82	0·73	0·82	2·12	2·11	1·64	3·77	4·18	4·38	2·61	1·50	1·02	0·25	0·30	1·00	5·17
1935 ...	0·59	0·55	0·50	3·30	3·23	2·65	3·15	3·43	4·38	2·85	2·20	0·76	0·13	0·15	0·56	4·69
1936 ...	0·60	0·58	0·50	3.73	3·68	3·10	2·96	2·94	4·19	2·80	2·06	0·75	0·15	0·15	0·91	4·35
1937 ...	0·58	0·56	0·53	3·96	3·64	3·15	2·91	2·78	4·02	3·00	1·06	0·95	0·43	0·45	1	4·17
April, 1937 ...	0·56	0·53	9·50	4·13	3·83	3·42	2·92	2·55	4·02	2·85	1	1	0·56	0·70	1	4·21
May ...	0·56	0·51	0·50	4·13	3·73	3·07	2·88	2·73	4·02	2·89	1	1	0·53	0·65	1	4·17
June ...	0·69	0·68	0·50	5·28	4·70	4·61	2·88	2·78	4·02	2·78	1	1	3·47	0·58	1	4·18
July ...	0·56	0·53	0·50	5·25	4·80	4·36	2·88	2·63	4·02	3·90	1	1	0·44	0·49	1	4·19
August ...	0·56	0·52	0·50	4·14	3·86	3·60	2·88	2·85	4·02	2·53	1	1	0·44	0·52	1	4·18
September ...	0·56	0·50	0·50	3·67	3·56	3·09	2·88	3·06	4·02	2·77	1	1	0·44	0·53	1	4·18
October ...	0·56	0·53	0·50	4·00	3·39	2·35	2·88	2·82	4·02	2·67	1	1	0·44	0·41	1	4·15
November ...	0·59	0·59	0·50	3·40	3·12	2·23	2·88	2·64	4·02	2·61	1	1	0·44	0·15	1	4·17
December ...	0·75	0·71	0·50	3·13	2·82	2·44	2·88	2·98	4·02	2·49	1	1	0·44	0·10	1	4·15
January, 1938 ...	0·53	0·51	0·50	3·17	2·94	2·54	2·88	2·97	4·02	...	1	1	0·44	0·10	1	4·16
February ...	0·53	0·51	0·50	3·27	2·97	2·57	2·88	2·75	4·02	...	1	1	0·44	0·08	1	4·09
March ...	0·53	0·51	0·50	...	...	...	2·88	...	4·02	..	1	1	0·44	...	...	...

Average Daily Price of Government Securities and the Yield thereon*

MONTH	3 per cent. Bonds—1941			4 per cent. Loan—1960—70			3½ per cent. Paper		
	Price		Yield	Price		Yield	Price		Yield
	Rs.	A.	%	Rs.	A.	%	Rs.	A.	%
1936									
April	104	2	2·16	113	7	3·20	98	2	3·57
May	104	12	2·03	114	9	3·15	98	12	3·54
June	104	7	2·09	114	15	3·12	98	11	3·55
July	104	7	2·09	115	5	3·10	99	11	3·51
August	104	5	2·12	114	15	3·12	99	9	3·52
September	104	8	2·01	115	8	3·08	99	10	3·51
October	104	12	1·95	115	10	3·07	100	0	3·50
November	105	2	1·87	115	14	3·06	100	9	3·48
December	104	15	1·91	115	1	3·10	99	13	3·50
1937									
January	104	3	2·07	114	4	3·14	98	12	3·54
February	103	8	2·22	112	9	3·24	96	2	3·64
March	103	1	2·26	111	3	3·33	93	1	3·76
April	102	11	2·34	110	11	3·33	93	6	3·75
May	102	13	2·30	110	9	3·34	94	14	3·69
June	102	15	2·25	110	6	3·35	95	5	3·67
July	103	4	2·17	110	15	3·34	95	13	3·65
August	104	0	1·96	112	7	3·25	97	9	3·59
September	103	14	1·98	112	15	3·22	97	3	3·69
October	103	10	2·02	113	10	3·20	98	3	3·56
November	103	12	1·96	113	14	3·16	98	11	3·55
December	103	9	1·99	113	13	3·17	98	6	3·56
1938									
January	103	8	1·99	114	0	3·15	98	6	3·56
February	103	8	1·97	114	4	3·13	98	7	3·56
March	103	3	2·04	113	15	3·16	98	0	3·57

*Yield to redemption—and in the case of 4 per cent. 1960—70 Loan the earlier date, *i. e.*, 1960 is taken.

Imperial Bank of India Official rates of interest.

1923	per cent.	Average for whole year.
11th January ...	8	5·947
25th May ...	7	
31st May ...	6	
7th June ...	5	
28th June ...	4	
15th November ..	5	
29th November ...	6	
20th December ...	7	
1924		
3rd January ...	8	6·682
14th February .	9	
10th April ...	8	
29th May ...	7	
19th June ...	6	
3rd July ...	5	
31st July ...	4	
21st August ...	5	
16th October ...	6	
1925		
22nd January ...	7	5·642
21st May ...	6	
18th June ...	5	
2nd July ...	4	
24th September ...	5	
3rd December ...	6	
1926		
20th May ...	5	4·825
10th June ...	4	
1927		
1st January ...	5	5·720
13th January ...	6	
10th February ...	7	
2nd June ...	6	
23rd June ...	5	
8th July ...	4	
8th September ...	5	
8th December ...	6	
2nd December ...	7	

1928	per cent.	Average for whole year.
21st June ...	6	6·196
19th July ...	5	
15th November ...	6	
13th December ...	7	
1929		
14th February ...	8	6·328
11th April ...		
9th May ...	6	
6th June ...	5	
10th October ...	6	
31st October ...	7	
1930		
3rd April ...	6	5·887
10th July ...	5	
20th November ...	6	
1931		
22nd January ...	7	7·046
28th May ...	6	
6th August ...	7	
24th September ...	8	
1932		
14th January ...	7	5·021
25th February ...	6	
28th April ...	5	
7th July ...	4	
1933		
From 16th February	3½	3·563
31st December ...	3½	
1934		3·5
1935		
Reserve Bank of India		
5th April ...	3·5	3·3
28th November ...	3·0	

TRADE SECTION:

FOREIGN TRADE

The first task of a reviewer of India's foreign trade in 1937-38, is to restore in some measure to the figures furnished in the official blue books the comparability which they have lost as a result of the separation of Burma from India and its constitution into a separate unit of the British Empire. This task, as the regular readers of *Indian Finance* are aware, has been essayed more than once in the columns of our weekly issues and the conclusions arrived at had necessarily to be of a tentative kind. Though the Department of Commercial Intelligence has not yet issued the figures of our foreign trade revised in accordance with the accomplished facts in the political sphere, it is possible now to attempt to get a more instructive picture of India's foreign trade in 1937-38, thanks to the *Burma Trade Journal* in which the authorities of that country have endeavoured successfully to provide the foreign trade statistics and figured not only for 1937-38, in which it is a separate unit of the Empire, but also for the earlier pears. With the aid of the *Burma Trade Journal* it is now possible to reconstruct the figures thought, not as much in detail as one might wish and to try to appraise the developments in our foreign trade during the year under review.

It is hardly necessary to point out here that in the Seaborne trade of India issued by the Department of Commercial Intelligence, Burma is treated as a foreign country and that changes are made in accordance therewith for the figures furnished for 1937-38. So far as the two previous years are concerned, the figures provided in the past have been repeated with no more than the usual revision ; and it is unfortunate that even with the aid of the *Burma Trade Journal* it is difficult to recalculate all the statistics provided in the foreign trade section of the Year Book and make the figures as instructive as they should be. There is, however, the consolation that the total picture of India's foreign trade during the last three years can be cured of its distortion and that in respect of the various items entering into our foreign trade, they are, broadly speaking, divided into categories in which either one country or the other is of no significant importance. India, for instance, has no larger share of Burma's vast export trade in rice than Burma in India's jute trade. Timber and kerosene are predominarly Burma's products. Only in a few items such as hides and skins is it necessary to be clear about the respective shares in India and Burma. These special circumstances will be indicated in the later stages of this review as occasion warrants.

For the present, it is only necessary to know that the separation of Burma has not disabled the student of India's foreign trade as completely as one might think it might had at the beginning of the year under review. In attempting a detailed examination of the experiences of the year, it is necessary, as has been hinted already, to complete the few calculations indispensable for a comparative study. And it is obvious that for this purpose it is open to the student to recalculate the figures for 1937-38 as if Burma continued to be part of India or to pre-date the separation of Burma. The latter can be done for as far back as a decade as the *Burma Trade Journal* provides the figures of Burma's foreign trade for that period. The figures that are provided in the Seaborne Trade of India are shown in the Year Book at more than one place and it should suffice therefore to start with a table showing the foreign trade of Burma during the last two financial years for which we are obliged to the Department of Commerce and Industries in Rangoon:

FOREIGN TRADE OF BURMA

TABLE I.

(In crores of Rupees).

		1937-38.	1936-37.
Exports to India	...	25.60	28.54
Exports to other foreign countries	...	24.73	21.18
Total exports	...	50.42	49.72
Imports from India	...	11.69	10.33

	1937-38.	1936-37.
	(In crores).	
	Rs.	Rs.
Imports from other foreign countries ...	12.11	10.93
Total imports ...	23.80	21.78
Balance of trade with India	14.00	17.61
Balance of trade with other foreign countries	12.62	10.33
Total balance of trade in merchandise ...	26.62	27.94

The following table gives the figures of India's foreign trade in 1937-38 which are exclusive of; Burma but the figures for 1936-37 recalculated so as to be similarly exclusive of Burma:

TABLE II.

Foreign trade of India (exclusive of Burma)

	1936-37	1937-38
	(In crores).	
	Rs.	Rs.
Total exports ...	192.11	189.20
Total imports ...	142.29	172.99
Balance of trade in merchandise ...	49.82	16.21

It may perhaps be found more convenient to defer to established habit and look at the position in disregard of recent changes. It may then be desirable to make the figures of 1937-38 inclusive of Burma, so that they may be comparable not only with those of 1936-37 but also with those of 1935-36. The following table is provided in this view and will, doubtless, be found interesting:

TABLE III

Foreign trade of India (inclusive of Burma)

	1935-36	1936-37	1937-38
		(in crores).	
	Rs.	Rs.	Rs.
Exports of Indian merchandise ...	160.52	196.12	
Exports of Foreign merchandise ...	3.77	6.24	
Total exports ...	164.29	202.36	202.24
Imports of foreign merchandise ...	133.74	124.60	159.41
Balance of trade in merchandise ...	30.55	77.76	42.83
Balance of transactions in treasure	36.37	14.50	
Total visible balance of trade ...	66.92	92.26	

The main conclusions which one can derive from the figures cited in the foregoing tables are fairly clear. They show in the first place, that the separation of Burma has, on the whole, had an adverse effect on the foreign trade of India, especially when this is viewed from the standpoint of the balance of trade in merchandise. For Burma has a favourable balance of trade with India of about Rs. 15 crores a year and a favourable balance of trade with other foreign countries of over Rs. 10 crores and India's balance of trade suffers exactly to this extent. In other words, there are two equally unwelcome trends of a fall in exports and a rise in imports of a much larger magnitude. Ignoring the separation of Burma for a moment, the total exports of India which rose from Rs. 164.29 crores in 1935-36 to Rs. 202.36 crores in 1936-37 may be said to have been more or less well maintained, as the drop from Rs. 202.36 crores to Rs. 202.24 crores in Table III may be deemed to be negligible. But, at the same time, the total imports of India which fell from Rs. 133.74 crores in 1935-36 to Rs. 124.60 crores in 1936-37 rose again to Rs. 159.41 crores. The result is that the balance of trade in merchandise which shot up from Rs. 30.55 crores in 1935-36 to Rs. 77.76 crores in the year following, fell to Rs. 42.83 crores in the year under review. That is, on the basis that Burma continued to be part of India.

Changing from the hypothetical to the actual, we might, on the strength of the figures in Table II, suggest that while exports fell from Rs. 192.11 crores to Rs. 189.20 crores in 1937-38, imports rose from Rs. 142.29 crores to Rs. 172.99 crores. The balance of trade of India in the year under review stood at Rs. 16.21 crores and the comparable figure for 1936-37 that is assuming, that the separation of Burma had taken place a year before, may be put at Rs. 49.82 crores. It will thus be seen that while the fall in the balance of trade and merchandise is 44.9 percent if Burma were part of India, the fall in the case of separated India is as high as 66.1 per cent. In so far as the management of exchange and currency for both Burma and India is in the hands of the Reserve Bank of India, the deterioration in India's balance of trade position does not thereby possess much practical importance. How far the anomaly of the unification of the management of currency and exchange for two countries which are politically separate will work in the actual administration by the Reserve Bank of India is a question into which it is hardly necessary to enter here. But the examination of the two sets of figures provided earlier will give the reader an idea of the extent

to which the maintenance of the rupee has been rendered easier by its being the common currency of the two countries. From the point of view of the rupee the total balance of trade which is shown at Rs. 30.57 crores gives a highly misleading picture; and, strictly speaking, credit should be taken for Burma's balance of trade not only with the rest of the world but with India as well. As no figures are available of Burma's export or import of treasure, one has to assume that Burma's trade in treasure will make no difference.

The monetary arrangements cannot, however, be deemed to be permanent; and, even if they should prove so, it is, nevertheless necessary to accept the separation of Burma and regard the mainland of India as a separate unit, not only politically, but also economically and financially. Our ideas have therefore to be adjusted to the considerably lower balance of trade in merchandise of 16.21 crores in 1937-38. And no one who takes the long view can shirk the implications of the charge. And what time the export surplus has come down under the double pressure of a fall in exports and a rise in imports, the export of treasure has also slumped heavily.

The maintenance of the balance of trade in Treasure in the vicinity of Rs. 14½ crores has little or no importance by the side of the decline in exports of gold from Rs. 27.85 crores in 1936-37 to Rs. 16.34 crores in the year following. For the balance has been maintained only by the decline in the imports of silver from Rs. 13.51 crores to Rs. 2.26 crores during the same period. So that from the point of view of the visible balance of trade, 1937-38 leaves no room for doubt that every recession in world trade must bring about a decline in India's visible balance and a severe adverse pressure on the rupee. Export of treasure can no longer be expected to supply the deficiency in the baalnce of trade in merchandise, as the decline in the exports of gold has been uninterrupted since 1932-33 and there is no reason to think that the fall in exports has been caused, not by a depletion of stocks, but by the improvement in the economic condition of the people.

The place of treasure in the future financial and trade relations of India with the rest of the world is not only an interesting matter of speculation but is of vital importance to our fiscal and exchange policy. The spurt in the imports of silver in 1936-37 seems at first sight to suggest a close connection between the improvement in our export surplus and the import of silver. It must, however, be remembered in this connection that not a little of the imports of silver during that year must have been due to the highly intriguing phase of silver at that time. The element of popular demand comparable to the historic demand of India for the precious metals can, therefore, be easily exaggerated. It is often believed that India's attitude to gold, and silver, too, is not essentially different from her attitude to any other commodity and that she acquires gold when she is able and parts with it when she has to. Differences of opinion in regard to this subjective attitude are only natural. But it stands to reason that, however much the average Indian may like to possess gold, his demand for it can become effective only when he has a balance left over after satisfying the physical and conventional necessaries of life. Viewed from the standpoint of the nation as a whole, there can be no effective demand for gold from foreign countries unless the country has a favourable balance of trade after satisfying our normal foreign obligations. When such a surplus occurs, it is quite possible that India might prefer to have it in the form of gold rather than Indian securities transferred from foreign into national hands. In the absence of such a surplus, there could only be a local demand which can be expected to be met from the local supplies arising from the sales of gold by the hard-pressed.

So far as one could see the trends of world trade and the scope for the expansion of India's export staples, it would be unduly optimistic to expect that, with gold exports dropping out of the picture, India would for some time to come realise a balance of trade that would have any considerable surplus after meeting our foreign obligations. We have expressed the view on more than one occasion in the past that the immediate objective of our foreign trade policy must be to secure equilibrium on the basis that India neither imports nor exports considerable quantities of gold and silver and that the balance of trade in merchandise should be at least sufficient to meet our foreign obligations. On the longer view, a surplus in the favourable balance of trade would, no doubt, be necessary for the economic progress of the country. But one would hope that such surplus would be devoted to increasing the capital equipment of the country rather than its sterile stocks of gold.

While the balance of trade has shown a highly disturbing decline, such decline has

been caused more by an increase in imports than by any serious loss of ground in our export markets. As comparisons with previous years of total imports and exports are not possible, one has to direct attention to the fluctuation in the exports of the principal commodities. There is no doubt that imports have had a boom year in 1937-38. The total imports as given in the official blue book have increased from Rs. 125.24 to Rs. 173.45 crores, of which imports from Burma amounted to Rs. 25.91 crores. Imports of food, drink and tobacco increased from Rs. 11.15 crores to Rs. 21.87 crores. Of the increase of Rs. 10.72 crores, imports of rice from Burma into India during the year amounted to Rs. 10.97 crores. So that the apparent increase in fact covers considerable falls under other items. An exaggeration of the increase in imports owing to the separation of Burma is also noticeable in the case of raw materials, the imports of which increased from Rs. 19.41 crores in 1936-37 to Rs. 40.94 crores in the year under review. But imports of mineral oils from Burma alone amounted to Rs. 9.71 crores, while the increase in the import of oils from all countries is as much as Rs. 11.45 crores. Likewise, the increase in wood and timber from Rs. 26 lakhs to Rs. 2.68 crores must be ignored as resulting from the separation. There still remain considerable increases in the imports of raw materials which cannot be viewed with equanimity, unless they are deemed to have served the increase of industrial production within the country. The increase in imports of raw cotton amounting to Rs. 6.28 crores may be regarded as one such instance.

Imports of manufactures showed a big rise from Rs. 92.4 crores to Rs. 108.11 crores. This is well spread over all the principal items, though special mention may be made of the increases under implements and instruments, dyes and colours, machinery of all kinds, iron and steel manufactures, vehicles and woollen goods. While cotton yarns and manufactures have declined from Rs. 17.48 crores to Rs. 15.55 crores, woollen goods have gone up by Rs. 1.03 crores. The increase of Rs. 3.21 crores under machinery bears witness to the fact that the expansion of industry has continued even during a period of recession in trade.

As regards the export trade, it is inevitable that there should be a serious fall in grain, pulse and flour, as no account is taken of the exports of rice from Burma during the last year. But while India loses credit for exports of rice from Burma which amounted to Rs. 9 crores in 1936-37, exports of wheat have gone up from Rs. 2.09 crores to Rs. 4.62 crores. Export of Tea rose in value from Rs. 20.04 crores to Rs. 24.38 crores and tobacco contributed an increase of Rs. 1.07 crores. So that the year 1937-38 showed under food, drink and tobacco, an increase of Rs. 93 lakhs where one would have expected a decline of Rs. 10 crores.

So far as raw materials are concerned, the separation does not tend seriously to distort the picture. And yet exports of raw materials declined from Rs. 102.54 crores to Rs. 81.45 crores. Of the decrease of over Rs. 21 crores, more than Rs. 15 crores is accounted for by raw cotton, the misfortunes of which during the year under review are familiar to the public. Oilseeds fared no better, the decline in this case being from Rs. 18.47 crores to Rs. 14.18 crores. The fall of Rs. 1.49 crores under wood and timber must be set down to the separation of Burma. The only notable increases are under jute and hides and skins (Rs. 61 lakhs).

It is comforting to reflect that manufactures have made a better showing during the year, the total exports of manufactures having gone up from Rs. 49.82 crores to Rs. 55.27 crores. The decreases are comparatively fewer, being noticeable only in the case of chemicals (Rs. 1.91 lakhs), hides and skins (Rs. 11 lakhs) and miscellaneous articles (Rs. 81 lakhs). The most serious decline occurred under metals other than iron and steel, exports of which declined in value from Rs. 3.32 crores to Rs. 40.5 lakhs. Cotton manufactures increased thanks, in the main to the separation of Burma by Rs. 5.51 crores to Rs. 9.29 crores; jute manufactures by 1.13 crores to Rs. 29.08 crores; iron and steel manufactures by 1.65 crores to Rs. 2.98 crores. Considering that exports of manufactures and foodstuffs were maintained and that serious decreases occurred only in the case of raw cotton and oilseeds, it is necessary that the setback in India's export should not be exaggerated so as to extend to all our export staples. The decline under raw cotton is undoubtedly due to special reasons, while the fate which overtook oilseeds should have been easily foreseen earlier, as the world production of oilseeds had outstripped world demand even before the beginning of 1937.

FOREIGN TRADE THROUGH PORTS OF NATIVE STATES

Kathiawar:

The seaborne trade through the Kathiawar ports has, of late, been steadily growing in importance owing chiefly to the lower port charges, as compared with Bombay. The following table shows the value of imports and exports and re-exports at the Kathiawar ports from 1925-27 to 1933-34.

(In thousands of Rs.)

Year		Imports	Exports	Re-exports
1926-27	...	3,07,12	11,18	37
1927-28	...	2,39,60	30,55	62
1928-29	...	3,96,43	1,27,01	59
1929-30	...	3,91,96	98,54	84
1930-31	...	3,62,74	80,70	16
1931-32	...	2,76,48	67,39	8
1932-33	...	4,15,07	80,91	5
1933-34	...	4,17,82	2,46,43	1,29
1934-35	...	5,19,09	1,49,25	2,36

The accuracy of figures up to 1930-31 is problematical, as they are from returns prepared in old times and the figures recorded in some cases were inclusive of merchandise imported or exported coastwise.

The trade of Cochin is of considerable significance as Cochin is the *enfant terrible* among the Indian ports.

Statistics of the trade in Cochin during 1933-34 show that the port has enjoyed a record year and is taking its full share in the revival and development of trade. The figures dispel all apprehensions regarding the future of the port.

It was in May, 1928, that the first steamer entered in the inner harbour at Cochin. The number of steamers which used the port in 1928-29 was 4,79, and every year since then there was a steady increase. The number was 509 in 1929-30 ; 570 in 1930-31 ; 604 in 1931-32 ; 615 in 1932-33. Whereas the increase during these four years was only 136, the increase in 1933-34 alone was 66, the number of steamers which called at the port being 681. Of this, only 3 did not come inside the harbour.

The tonnage of the goods passing through the ports has also grown considerably, as the following figures show:

	Imports	Exports	Total
1930-31	3,96,806	1,01,354	4,98,160
1931-32	4,55,342	90, 61	5,45,403
1932-33	4,80,585	88,270	5,68,855
1933-34	6,40,800	1,08,000	7,38,800

(The figures for 1933-34 are approximate).

In this connection the following table showing the total foreign sea-borne and coasting trade of Cochin since 1924-25 will be very interesting ; and the figures have been taken from the reports of the Maritime trade for the province of Madras.

Cochin Trade Statistics.

(Value in lakhs of Rupees)

		Foreign Trade	Coasting Trade	Total Trade	Percentage total of Madras Presy.
1924-25	...	3,45	7,01	10,46	11.04
1925-26	...	4,11	6,38	10,49	11,00
1926-27	...	4,07	5,87	9,94.5	10.99
1927-28	...	5,19	6,36	11,55	11.17
1928-29	...	5,99	6,00	11,99	11,21
1929-30	...	4,81.5	6,25	11,13.5	...
1930-31	...	4,53	5,87	10,48	12.40
1931-32	...	3,73	5,53	9,26	13.00
1933-34	...	4,39	6,12	10,51	15,40
1934-35	...	5,81	6,70	12,51	16.77

Considerable trade is also carried on between the French settlements in India, Portugese settlements and Travancore. Some twenty years ago the Controller of Currency estimated the total imports and exports at the ports in these non-British possessions at about Rs. 36 lakhs and Rs. 175 lakhs respectively per annum. Certainly the trade should have grown much more now and trade statistics will be very interesting to-day.

FRONTIERS
FOREIGN TRADE ACROSS LAND

Prior to April, 1925, the registration of the land frontier trade was done through the Agency of the clerks posted on important roads across the frontiers.

A new system of registration of the land frontier trade was, therefore, inaugurated since 1st April, 1925. Only the traffic in selected articles at certain railway stations adjacent to the more important trade routes across the frontier is registered. Stations have been selected at which it is estimated that the bulk of inward traffic is intended to be transported beyond the frontier and the bulk of the outward traffic consists of goods which have come from beyond the frontier.

For compilation purposes the registration stations have been divided into three groups. For purposes of the tables, the trade registered at the three groups of stations has been combined into a lump figure for each commodity.

NOTE :—Owing to the separation of Burma as from April 1, 1937, the figures of India's foreign trade in 1937-38 given in this section are exclusive of Burma and are not therefore comparable with those of the previous years. The figures necessary for restoring a degree of comparability are provided in the article at the beginning of this section and also in an article headed "Indo-Burmese Trade."

India's Foreign Trade.

(In Lakhs of Rupees.)

	1	2	3	4	5	6	7	8
YEAR AND MONTH	Exports of Merchandise	Re-exports of Merchandise	Imports of Merchandise	Balance of trade in Merchandise (1+2−3)	Exports of Treasure	Imports of Treasure	Balance of transactions in treasure (5−6)	Balance of trade in Merchandise and treasure (4+7)
1934-35								
April	12,44	26	10,97	+1,73	5,44	9	+5,35	+7,08
May	13,11	23	10.48	+2,86	5,46	23	+5,23	+8,09
June	12,29	19	9,55	+2,93	5,35	14	+5,21	+8,14
July	12,59	26	9,90	+2,95	6,11	7	+6,94	+8,99
August	12,12	20	10,68	+1,64	1,35	12	+1,23	+2,87
September	11,85	22	10,55	+1,52	1,11	14	+97	+2,49
October	12,07	30	12,43	−11	4,28	7	+4,21	+4,10
November	11,98	32	11,40	+90	6,07	31	+5,76	+6,66
December	11,74	49	10,35	+1,88	6,56	54	+6,02	+7,90
January	13,42	28	12,90	+80	4,80	15	+4,65	+5,45
February	12,87	35	10,40	+2,59	5,52	7	+5,45	+8,04
March	15,18	45	12,40	+3,23	5,68	71	+4,97	+8,20
TOTAL 1934-35 ...	151,66	3,55	132,29	+22,92	57,73	2,06	+55,09	+78,01
1935-36								
April	10,76	29	11,60	−55	1,41	19	+1,22	+67
May	14,95	26	11.82	+3,39	2,26	24	+2,02	+5,41
June	12,51	30	9.920	+2,89	1,18	29	+89	+3,78
July	11,80	27	10,06	+2,01	6,19	28	+5,91	+7,92
August	11,83	23	11,19	+87	7,30	11	+7,19	+8,56
September	11,79	23	10,21	+1,81	3,31	18	+3,13	+4,94
October	14,22	31	11,33	+2,70	3,21	10	+3,11	+5,81
November	14,23	48	12,76	+1,95	4,09	17	+3,92	+5,87
December	13,36	36	10,61	+3,11	3,77	10	+3,67	+6,78
January	13,96	37	13.06	+1,27	3,83	93	+2,90	+4,17
February	15,10	30	10,19	+4,91	2,69	1,83	+86	+5,77
March	15,98	36	10,84	+5,50	2,10	1,04	+1,06	+6,56
TOTAL 1935-36 ...	1,60,49	3,76	1,34,39	+29,86	41.84	5,46	+36,38	+66,24

India's Foreign Trade.—(*Contd.*)

(In Lakhs of Rupees.)

YEAR AND MONTH	1 Exports of Merchandise	2 Re-exports of Merchandise	3 Imports of Merchandise	4 Balance of trade in Merchandise (1+2—3)	5 Exports of Treasure	6 Imports of Treasure	7 Balance of trans-actions in treasure (5—6)	8 Balance of trade in Merchandise and treasure (4+7)
1936-37								
April	14,99	34	10,11	+5,22	2,35	95	+1,90	+7,12
May	14,21	29	10,05	+4,45	3,30	2,30	+1,00	+5,45
June	13,23	26	980	+3,69	2,85	1,44	+1,41	+5,10
July	14,14	32	10,09	—4,37	4,08	1,07	+3,01	+5,38
August	13,91	32	929	—4,94	2,34	98	+1,36	+6,80
September	14,64	54	955	+5,63	2,23	99	+1,24	+6,89
October	16,12	50	10,68	+5,94	3,26	96	+2,30	+8,24
November	16,83	62	10,62	+6,83	2,64	1,50	+1,06	—7,89
December	17,34	54	998	+7,90	1,60	70	+90	+8,80
January	20,65	142	12,59	+9,48	2,42	1,83	+59	+10,17
Febuary	18,54	52	936	—9,70	1,20	2,50	—1,30	+8,40
March	21,53	58	13,12	+8,99	1,24	21	+1,03	—10,02
TOTAL 1936-37 ...	196,13	625	125,24	+77,14	30,00	15,51	14,49	+91,63
1937-38								
April	16,75	81	15,71	+1,85	1,89	40	+1,49	+3,34
May	16,10	54	14,35	+2,28	1,49	45	+1,04	+3,82
June	17,05	81	13,88	+3,98	86	1,11	—25	+3,73
July	16,89	49	14,12	+3,26	2,44	57	+1,87	+5,13
August	14,82	45	13,30	+1,97	1,49	46	+1,03	+3,00
September	16,52	59	13,67	+3,44	1,52	76	+77	+4,21
October	15,29	93	14,51	+1,71	1,33	10	+1,23	—2,94
November	14,74	40	15,81	—67	1,25	16	+1,09	+42
December	13,37	64	14,34	—33	1,87	17	+1,70	+1,37
January	13,64	77	15,34	—1,43	1,86	19	+1,67	+24
February	12,09	71	12,56	+25	2,09	6	+2,03	+2,28
March	13,64	115	15,36	—57	85	17	—68	+11
TOTAL 1937-38 ...	180,92	828	178,45	+15,75	13,95	4,59	+14,36	+30,11

Table Showing the volume of principal articles Exported from British India.

(Figures in Thousands unless stated otherwise)

Name of Article		Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Cotton,—Raw	(tons)	430	391	5,21	365	504	623	607	762	458
,, Waste	(cwts.)	...	...	8,12	238	283	352	467	489	459
,, Piecegoods (millions of yds.)		90	1,55	1,64	66	56	58	71	102	241
,, Twists & Yarn (millions of lbs.)		193	130	82	15	16	13	10	12	40
Jute, Raw	(tons)	764	464	5,54	563	748	752	771	821	747
,, Gunny Bags (in millions No.)		339	716	4,04	415	402	423	459	567	612
,, ,, Cloth (in millions of yds.)		970	1,177	1,270	1,012	1,053	1,063	1,218	1,708	1,643
Grain, Pulse and Flour	(tons)	...	...	...	2,056	1,870	1,765	1,553	1,878	878
Rice not in Husk	,,	2,398	1,685	1,462	1,828	1,733	1,592	1,394	1,458	227
Wheat	,,	1,308	807	237	2	2	11	10	211	460
Other sorts	,,	715	649	300	226	135	162	149	189	191
Seeds—Essential	,,	10	8	9	6	8	9	9	10	10
Linseed	,,	379	270	251	72	379	238	165	296	226
Groundnut	,,	212	119	195	433	547	510	413	739	617
Other seeds	,,	352	311	468	221	190	127	95	121	105
Tea	(in millions of lbs.)	266	323	321	379	318	325	313	302	335
Leather	(tons)	...	22	15	15	20	18	20	25	24
Hides and Skins—Raw	,,	78	57	53	27	42	40	49	51	52
Metals—Manufactures and Ores—										
Iron and Steel	(tons)	42	61	95	337	517	477	598	683	712
Other Metals	,,	10	11	38	158	156	154	171	177	12
Manganese Ore	,,	607	474	648	198	266	455	729	677	1,056
Other Ores	,,	12	21	37	29	39	57	64	71	178
Lac	(cwts.)	434	34	416	418	731	586	488	834	665
Wool—Raw and Manufactures	(in millions of lbs.)	56	51	39	38	64	44	59	62	49
Paraffin wax	(tons)	12	22	26	45	54	46	54	47	12
Oilcakes	,,	140	117	135	287	287	348	300	336	357
Spices	(cwts.)	352	315	318	299	270	286	252	216	366
Wood and Timber	(tons)	50	29	35	17	27	45	65	76	4
Rubber,—raw	(millions of lbs.)	1	8	13	7	16	24	31	29	18
Coffee	(cwts.)	255	216	226	173	186	141	216	211	125

Table showing the volume of principal articles Exported from British India—(*contd.*)

(*Figures in Thousands unless stated otherwise.*)

Name of Article		Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Opium	(tons	51	14	9	4	2	10	..	...	...
Manures	(cwts.)	117	57	118	31	41	51	61	77	89
Fodder, Bran and Pollards	(tons)	223	129	211	225	254	281	258	277	16
Dyeing and tanning substances	(cwts.)	1,613	1,261	1,503	1,205	1,421	1,545	1,674	1,489	1,626
Tobacco	(millions of lbs.)	22	26	27	22	30	27	30	29	52
Coir	(tons.)	36	23	32	27	31	31	34	28	37
Mica	(cwts.)	49	50	60	40	66	104	167	180	294
Fruits and Vegetables	(tons.)	11	10	10	10	13	15	17	18	23
Fish (excluding Canned Fish)	(cwts.)	249	239	233	221	236	51	267	280	339
Oils	(in millions of gallons)	17	32	27	2·6	2·9	2·2	2·4	2·9	5·0
Coal and Coke	(tons)	325	526	434	454	374	311	200	250	1,029
Hemp—Raw	(cwts.)	509	561	455	281	388	437	643	769	830
Ghee	(cwts.)	47	46	41	22	24	26	24	27	45
Animals—Living	(thousand No.)	451	274	286	88	138	168	266	217	230
Silk raw	(lbs.)	1,711	1,017	1,325	119	449	687	979	677	450
Fibre for Brushes and Brooms	(tons)	...	4	5	7	7	7	8	8	8
Bristles	(cwts.)	94	4	3	8	4	4	5	5	5
Cordage and Rope	(cwts.)	33	56	35	46	42	53	48	56	55
Candles	(lbs.)	6,069	8,014	9,692	1,682	1,885	1,767	1,879	1,769	6
Saltpetre	(cwts.)	305	440	278	159	188	173	174	1,67	158
Tallow, Stearine and Wax	(cwts.)	17	18	29	17	8	4	3	3	5
Horns, Tips, etc.	(cwts.)	86	30	70	38	42	37	37	69	60
Sugar	(tons)	11	8	18	1	1·6	1·5	1·4	24·7	93·5

Table showing the value of the principal articles Exported from British India

(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Cotton, Raw	33,28	33,68	65,47	20,70	27,53	34,95	33,77	44,41	29,03
,, Manufactures	11,40	11,73	17,22	3,29	2,73	2,65	2,93	3,78	9,29
Jute Manufactures	20,25	40,20	43,15	21,71	21,37	21,47	23,49	27,95	29,08
,, Raw	22,20	12,80	19,53	9,73	10,93	10,87	13,71	14,77	14,72
Tea	13,07	17,55	20,92	17,15	19,84	20,18	19,82	20,03	24,38
Grain, Pulse and Flour	45,81	37,42	32,83	16,08	11,75	11,84	12,41	15,32	9,49
Seeds	24,37	12,17	23,54	11,31	13,66	10,54	10,33	18,47	14,18
Leather	4,30	7,19	6,24	4,76	5,83	5,48	5,63	7,36	7,25
Metals and Ores — Manganese Ore	99	89	1,45	48	51	80	1,32	1,31	2,21
Metals and Ores — Other metals and Ores	70	1,83	2,74	4,19	4,98	5,11	6,41	6,71	3,93
Hides and Skins (raw)	10,32	9,88	9,45	2,77	4,25	318	4,18	4,43	5,04
Paraffin Wax	55	98	1,19	2,02	2,29	192	2,28	1,96	51
Oil-Cakes	1,06	95	1,61	1,97	1,65	1,97	1,82	2,27	2,43
Wool—Raw and Manufactures	2,94	4,11	4,09	1,73	2,72	2,17	2,98	3,74	3,72
Lac	2,20	2,57	8,42	1,24	2,46	3,30	1,58	2,34	1,62
Coffee	1,38	1,18	1,47	1,10	1,02	73	1,02	84	55
Tobacco	37	56	85	77	94	82	92	93	2,00
Dyeing and Tanning substances	1,15	2,41	1,52	75	79	72	70	64	67
Spices	86	1,08	1,12	72	72	77	55	55	73

Table showing the value of the principal articles Exported from British India—(*contd.*)

(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Fodder, Bran and Pollards	90	42	1,20	70	47	77	73	96	9
Fruits and Vegetables	47	57	64	70	99	108	165	1,70	2,08
Coir	80	54	1,02	60	77	80	87	71	1,04
Wood and Timber	1,00	71	1,12	56	84	110	135	1,77	29
Oils	92	1,87	3,78	54	37	55	64	70	1,01
Fish (excluding canned fish)	39	43	57	46	45	45	46	45	69
Coal and Coke	76	48	57	44	37	29	17	20	95
Provisions and Oilman's stores	46	60	66	33	28	28	27	23	63
Mica	36	57	80	32	45	69	83	94	1,48
Hemp—Raw	78	1,18	90	32	36	39	60	69	75
Drugs and Medicines	19	30	36	31	24	26	25	27	28
Fibre for Brushes, etc....	...	15	21	24	22	19	22	20	20
Bristles	16	14	15	14	17	23	23	29	32
Saltpetre	35	80	46	12	15	14	13	11	11
Opium	9,96	2,17	2,33	11	73	7	...	...	...
Animals—Living	28	22	30	10	10	12	9	8	9
Apparel	15	11	21	9	11	11	13	14	16
Rubber—Raw	39	1,58	1,18	9	31	66	89	104	86
Building and Engineering materials other than Iron, Steel or Wood	..	...	...	9	10	10	10	13	19
Cordage and Rope	8	11	13	8	7	7	7	8	9
Tallow, Stearine and Wax	9	8	12	5	3	3	3	4	4
Candles	17	23	20	5	5	5	5	5	...
Silk—Raw and manufactures	50	45	42	3	3	5	6	7	7
Sugar	16	22	56	2	2	2	2	6	40
Horns, Tips, etc.	21	7	12	2	3	2	3	4	4
All other articles	2,77	2,89	5,61	3,24	3,34	3,76	4,90	7,26	8,23
TOTAL EXPORTS ..	2,19,50	2,15,97	2,86,33	1,32,27	1,47,25	1,51,67	160,52	196,13	1,80,92

Exports of Jute—Raw

(Quantity in Thousands of Bales.) *(Value in Lakhs of Rupees)*

Country to which Exported	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	1,691	1,295	952	725	993	932	930	1.053	811	8,97	2,24	2,56	2,35	296	3,48	2,81
Other parts of the Br. Empire	4	8	5	8	28	29	25	29	24	2	3	6	8	9	8	9
United States of America	535	528	483	201	290	289	445	494	555	2,83	69	75	76	136	159	1,85
France	428	198	357	386	469	465	420	491	365	2,25	1,16	1,25	1,22	137	88	1,35
Italy	213	215	180	210	364	487	275	423	419	1,15	66	96	1,27	89	1,40	1,58
Brazil	15	66	79	74	107	100	111	119	142	...	26	33	33	38	42	56
Japan	17	30	60	81	97	130	128	191	85	11	23	24	32	40	58	29
Belgium	...	1	174	192	313	341	294	392	287	14	59	83	86	100	124	1,00
Spain	122	172	132	237	200	241	287	96	11	65	72	51	61	88	29	4
Germany ...	920	34	586	735	926	761	880	843	829	4,90	2,29	242	1,51	273	236	2,95
Austria ... } ...	250	13	2	...	...	...	...	...	...	...	...	...	.. }	...	...	...
Hungary ... } ...				...	...	...	...	...	...	...	...	...		...	...	...
Other Countries ...	86	44	92	304	761	439	525	459	657	1,68	86	95	198	165	175	...
Total British Empire	1,695	1,303	957	733	1,017	961	954	1,082	835	8,99	2,27	2,62	2,43	305	356	2,90
Total Foreign Countries	2,589	1,296	2,145	2,420	3,173	3,250	3,365	3,513	33,50	13,21	7,46	8,31	8,45	10,66	11,20	11,82
Grand Total	4,281	2,599	3,102	3,153	4,190	4,214	4,319	4,595	4,185	22,20	9,73	10,93	10,87	13,71	14,77	14,72
Percentage of Br. Empire	39·6	50·1	30·9	23·2	24·2	22·8	22·0	23·6	20·0	40·5	23·3	23·9	22·2	22.3	24·1	19·7

Exports of Jute Manufactures.

(Quantity in Lakhs of Yds.) *Gunny Cloth* *(Value in Lakhs of Rupees)*

Name of Countries to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average 1909-10 to 1913-14	1931-32	1932-33	1933-34	1935-36	1935-36	1936-37	1937-38
United Kingdom ...	423	1,333	741	622	575	516	494	857	1330	1,579	56	70	63	57	53	89	134	160
Ceylon	...	...	...	29	23	26	23	18	21	21	...	4	3	3	3	2	2	2
Union of South Africa	...	...	...	44	45	64	69	85	120	101	2	7	7	9	9	11	13	12
Canada	333	534	508	633	655	801	685	754	999	1,019	40	65	65	87	70	75	88	91
Australia and New Zealand ...	209	253	175	228	277	243	284	308	345	357	...	32	40	35	40	43	43	45
China	...	...	...	58	42	15	11	6	...	...	...	7	5	2	1	1	...	...
Philippine Islands and Guam ...	...	...	...	162	209	178	137	175	261	238	...	25	33	28	19	23	32	28
Egypt	...	...	...	69	66	11	96	99	101	110	1	9	8	13	12	12	10	12
United States of America	6,6398	6,95	8,938	6,924	5,488	6,747	6,099	77,50	1,03,81	9,538	692	657	510	660	593	731	865	826
Uruguay	...	...	...	104	96	102	78	26	92	208	...	11	10	12	8	3	9	21
Argentine Republic ...	1,727	1,440	1,813	1,049	2,375	1,696	22,92	16,63	27,37	2,370	209	119	247	193	245	182	278	244
Peru	...	...	...	17	22	30	39	39	36	24	.	2	2	3	4	4	3	2
Other Countries ...	369	1,016	528	272	244	286	228	403	674	856	76	38	30	35	41	48	70	94
Total British Empire	...	...	...	1,556	1,580	1,650	15,64	21,22	29,72	3,279	...	178	178	1,95	1,76	220	280	332
,, Foreign Countries	...	...	...	8,655	8,537	8,866	90,72	101,61	141,25	13,142	...	867	846	6-44	9,23	1,004	12,67	1,205
GRAND TOTAL ...	9,700	11,561	12,703	10,211	10,117	10,522	10,635	121,83	170,97	16,421	10,76	10,45	10,24	11,38	10,99	12,24	15,47	1,537

Exports of Jute Manufactures—(*Contd.*)

(*Quantity in Lakhs of Bags*). **Jute Bags.** (*Value in Lakhs of Rupees*).

Countries to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	305	2,265	418	465	451	480	518	702	617	79	107	98	103	12	134	114
Germany				30	16	9	20	31	21	15	9	4	2	5	6	4
Netherlands				15	16	11	22	26	24	...	3	4	3	5	5	5
Europe excepting United Kingdom ...	206	688	299													
Belgium				67	91	89	92	113	134	...	15	20	16	17	21	26
France				7	7	6	7	17	13	...	2	2	2	2	3	2
Portuguese East Africa [E. Africa incl. Mauritius] ...	99	90	112	119	117	142	156	187	192	14	28	25	31	33	36	89
Union of South Africa [S. Africa incl. Rhodesia] ...	119	243	177	181	154	240	249	286	304	39	57	46	66	67	68	72
Straits Settlements (incl. Labuan).				148	141	46	50	46	50	...	39	35	12	14	12	13
Siam ...				118	128	424	311	218	128	27	31	31	98	73	48	29
Far East excepting Java and Japan.	393	436	584													
Indo-China ...				86	74	118	198	259	233	...	22	17	27	44	54	50
Hawaii ...				181	171	189	152	203	188	19	24	23	27	20	25	22
China ...				5	6	12	7	23	370	...	65	1	3	2	5	81
Japan	35	118	186	94	62	182	198	303	55	...	24	14	41	48	64	11
Java	130	206	205	136	128	99	130	267	346	45	41	34	26	36	67	84
Egypt	119	385	102	128	175	190	235	269	167	48	35	52	55	64	61	44
United States of America				128	89	119	164	164	189	92	25	12	18	22	20	24
Central America and West Indies	130	229	298													
Cuba and West Indies				231	237	313	314	349	346	44	76	66	88	91	89	91
Chile and Argentine [S. America]	431	532	335	78	193	70	96	119	100	85	22	40	39	23	24	19
Australia and New Zealand ...	628	737	720	1,049	876	668	745	929	809	...	320	242	193	208	230	197
Other countries	796	747	607	636	874	12,10	930	1163	1832	432	171	259	175	217	239	390
TOTAL BRITISH EMPIRE ..	...	...	...	1,990	2,047	1,752	17,27	29,59	2045	...	543	488	427	453	5,04	569
TOTAL FOREIGN COUNTRIES ...	...	...	...	2,161	2,094	2,477	28,62	36,15	4078	...	573	484	598	648	7,05	748
GRAND TOTAL ...	3,391	6,676	4,043	4,151	4,016	4,229	45,89	56,74	6123	939	11,16	972	10,25	11,01	12,09	1317

Exports of Cotton—Raw.

(Quantity in Thousands of Bales of 400 lbs.) *(Value in Lakhs of Rupees)*

Country to which Exported	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	221	212	152	168	340	347	456	622	395	172	161	3,37	3,42	4,51	6,54	428
Other parts of British Empire	30	21	13	2	1	3	3	4	5	41	3	2	3	5	5	5
Japan ...	1,012	1,373	1,540	1,085	1,106	2,055	17,59	24,26	1,359	14,51	11,12	11,38	21,53	17,94	25,41	14,79
Italy ...	233	249	263	151	261	278	154	1,65	95	3,18	1,44	2,39	2,55	1,42	1,70	94
France ...	109	69	91	123	161	148	166	155	69	1,51	1,17	1,53	1,35	1,62	1,58	69
China (exclusive of Hongkong, etc.) ...	31	48	289	134	345	142	109	72	197	43	1,33	3,30	1,29	1,05	72	2,10
Belgium ...	277	44	217	123	144	153	225	312	...	3,68	13,0	1,43	1,49	2,20	3,21	...
Spain ...	50	41	61	50	42	61	68	26	169	73	49	63	55	64	25	1,71
Germany ...	351	69	193	151	243	153	264	218	231	4,15	1,33	2,10	1,37	2,61	2,26	290
Other Countries	192	64	93	71	173	150	193	368	152	266	55	1,07	1,37	1,74	2,69	157
Total British Empire ...	152	233	165	170	343	350	459	604	400	213	1,64	3,39	3,45	4,56	6,59	4,33
Total Foreign Countries ...	2,255	1,957	2,752	1,893	2,478	3,140	2,938	36,64	23,32	31,15	18,73	24,13	34,50	29,23	37,82	[illegible]4,70
GRAND TOTAL	2,407	2,190	2,917	2,043	2,821	3,490	3,397	4,268	27 32	33,28	20,37	27,52	31,95	33,77	44,41	29,03

Exports of Tea.

(Quantity in Millions of lbs.) *(Value in Lakhs of Rupees.)*

Name of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	194	252	280	331	276	288·5	275·6	256·2	288·2	9,51	14,79	17,59	18,15	17,75	17,16	21,35
Canada ...	10	10	10	17	15	13	12·8	14·9	15·5	55	80	77	65	64	75	1,00
Australia ...	9	8	6	2	2	2	1·9	1·0	0·9	41	8	11	8	10	5	6
Ceylon ...	4	3	3	4	3	3	3·5	2·6	3·4	27	23	20	20	23	18	23
Egypt ...	1	2	2	2	1	1	0·6	0·3	0·1	...	8	7	4	3	2	...
Iraq ...	...	...	12	...	·5	0·5	0·6	0.5	...	...	2	3	3	4	3	...
Russia ...	30	18	...	3	·7	...	1·0	1·7	0·6	1,42	14	4	...	8	13	6
United States of America ...	2	6	6	11	8	8	6·9	7.9	6·2	12	57	46	41	36	43	37
China ..	8	6	...	...	..	1	...	...	...	36	...	...	...	...	...	...
Persia ...	...	4	2	1	1	...	1.8	11·0	4·4	2	7	6	...	14	92	43
Georgia ..	...	...	...	1	...	...	...	...	...	...	3	...	...	...	...	...
Arabia ...	...	...	...	2	·5	1	0·8	0·5	0·4	1	5	3	6	4	3	3
New Zealand ...	...	...	...	1	2·5	1	0·4	0·2	0·3	...	6	13	7	2	1	2
Other Countries	8	14	10	4	6·8	5·8	6·9	5·1	24·7	40	23	36	58	39	42	92
Total British Empire ...	221	280	306	355	299·5	306·5	294·2	274·9	308·7	10 74	15,99	18,80	19,01	18,78	18,17	22,91
Total Foreign Countries ...	45	48	15	24	18·5	18·3.	18.3	26·3	26·0	233	1,16	1,05	1,12	1,14	1,85	147
GRAND TOTAL ...	266	328	321	379	18	324·8	312·7	301·9	334·7	13,07	17,15	19,85	20,18	19,82	20,04	24,38

Exports of Oil Seeds.

GROUNDNUT.

	(Quantity in hundreds of tons.)									(Value in Lakhs of Rupees.)						
Name of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
France ...	169,1	87,5	126,8	219,4	188,0	99,3	140,7	173,0	85,1	2,82	3,68	2,33	1,47	2,29	2,87	1,26
United Kingdom	1,9	8,3	13,3	31,6	52,8	134,2	62,4	134,9	91,1	3	58	67	1,70	1,00	2,21	1,33
Belgium ...	15,3	6	14.0	8,6	13,5	14,0	9,2	38,7	42,9	27	14	14	15	14	65	60
Italy... ...	7	2,9	14,6	28,2	72,4	54,4	17,8	76,1	118,8	2	44	84	59	30	1,31	1,69
Germany ...	7,4	8	12,2	48,1	97,2	65,1	71,3	110,1	115,3	12	76	1,18	73	1,12	1,81	1,63
Netherlands ...	1	...	7,3	87,4	100,9	114,9	95,2	175,4	71,6	...	1,38	1,22	1,27	1,54	2,90	1,10
Other Countries	17,3	18,6	7,0	9,7	21,6	29,3	1,60	31,3	92,1	27	15	25	2	26	54	1,52
TOTAL ...	211,8	118,7	195,2	433,0	546,5	511,2	412,6	739,5	616,9	10,14	7,12	6,63	5,93	6,65	12,29	8,93

LINSEED.

	(Quantity in hundreds of tons).									(Value in Lakhs of Rupees).						
Name of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	130,5	203,5	141,9	14,3	176,4	103,8	90,1	217,7	169,5	2,65	16	2,01	1,28	121	319	267
France ...	76,8	25,3	42,9	21,6	42,6	13,7	7,6	7,6	6,3	1,56	25	51	17	10	11	10
Italy ...	26,6	16,6	16,1	10,6	21,7	10,1	6,7	8	1,2	55	18	31	13	9	1	2
Belgium ...	67,8	4,9	23,1	3	10,2	8	3,6	2	2,0	1,56	·4	13	1	5	...	3
Germany ...	33,5	2,0	3,2	9,5	10,3	5,4	8,4	13,9	7,4	70	13	13	7	11	20	12
Australia ...	1,6	11,1	11,4	9,4	12,0	21,4	9,7	18,3	22,1	3	10	14	26	13	27	36
Other countries ...	42,2	7,0	12,9	8,8	103,7	83,2	38,6	37,5	17,5	94	9·6	1,56	1 08	52	58	26
TOTAL ...	379,0	270,4	251,5	72,2	378,9	238,4	164,7	296,0	226,0	7,99	91	4,58	3.00	221	436	356

Exports of Oil Seeds—(*Contd.*)

CASTOR SEEDS

(*Quantity in Hundreds of Tons*). (*Value in Lakhs of Rupees*).

Name of Country	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	53,9	47,1	10,5	22,7	27,0	26,4	22,4	20,5	12,7	78	33	33	31	31	29	19
United States of America ...	11,8	14,7	18,8	28,4	23,4	13,9	40	1,7	...	18	41	29	17	5	3	...
Belgium ...	13,7	1,1	4,1	4,1	3	...	..	36	12	20	6	...	...	1	5	2
France ...	15,7	14,8	8,8	16,8	13,0	9,2	14,6	6,5	49	23	24	16	12	21	10	7
Italy ...	11,0	7,1	4,3	6,2	7,9	5,1	67	1,4	48	16	9	10	6	9	2	11
Other Countries	7,5	4,0	1,8	11,9	10,0	20,4	12,3	94	16,5	11	11	12	15	16	14	25
TOTAL ...	113,6	88,8	48,3	85,9	81,6	68,7	60,0	43,1	42,1	1,66	1,24	1,00	81	83	63	64

RAPE-SEED

Name of Country	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	25,3	50,5	46,7	10,7	19,7	12,2	20	15,0	14,1	35	14	21	14	3	18	20
France ...	68,5	19,6	17,0	8,3	11,1	5,2	33	71	32	96	10	13	6	4	10	5
Italy ...	7,1	6,0	26,0	68,2	9,7	3,4	2	56	55	11	91	11	4	...	8	8
Belgium ...	98,6	5,4	56,5	2,5	4,3	2,6	10	26	31	1,52	3	5	3	1	4	5
Germany ...	68,2	1,6	38,4	9,1	9,6	4,2	47	8	3	1,05	12	11	5	6	1	...
Other Countries	10,0	7,6	21,2	15,7	21,9	9,3	78	65	57	16	23	23	10	12	18	8
TOTAL ...	272,7	90,7	205,8	114,5	73,5	36,9	190	376	31,9	4,15	1,54	81	42	26	54	46
Percentage of United Kingdom to total ...	9·3	55·7	22·7	9·3	22·7	33·1	10·5	39·9	44·2	8·4	9·1	22·2	33·3	11·5	24·1	43·5

Exports of Rice not in Husk

(Quantity in Thousands of Tons) — *(Value in Lakhs of Rupees)*

Name of Countries	Qty: Pre-War Average 1909-10 to 1913-14	Qty: War Average 1914-15 to 1918-19	Qty: Post-War Average 1919-20 to 1923-24	Qty: 1932-33	Qty: 1933-34	Qty: 1934-35	Qty: 1935-36	Qty: 1936-37	Qty: 1937-38	Value: Pre-War Average 1909-10 to 1913-14	Value: 1932-33	Value: 1933-34	Value: 1934-35	Value: 1935-36	Value: 1936-37	Value: 1937-38
United Kingdom	159	325	96	75	71	88	50	54	6	157	54	43	53	39	42	6
Ceylon	325	328	311	394	403	392	424	428	91	427	340	270	278	350	3,51	66
Straits Settlements	308	261	170	156	154	135	138	161	8	324	110	88	82	108	120	10
Union of South Africa	...	..	..	25	25	26	26	33	23	32	26	21	25	28	36	28
Kenya Colony, Zanzibar Pemba	..	...	...	13	16	11	12	13	2	33	12	15	12	13	14	5
Australia and New Zealand	...	...	...	5	6	7	4	7	...	21	4	3	4	3	5	...
Belgium	..	.	...	29	41	20	8	8	...	42	16	15	8	5	5	...
Germany	345	23	207	228	246	158	79	54	...	341	155	138	88	55	39	...
Netherlands	240	24	31	96	81	62	70	11,2	...	216	61	43	39	45	76	6
China	13	6	68	234	171	173	72	17	6	...	180	93	97	50	12	...
Japan and Korea	123	52	52	74	...	4	9	48	...	134	62	...	3	7	36	...
Sumatra	10	33	33	62	70	70	75	47	...	11	43	41	40	49	33	...
Java	168	82	75	18	4	26	4	1	...	177	11	2	15	3	1	...
Bahrein Islands	...	...	..	17	13	12	18	19	9	25	21	13	11	18	19	10
Egypt	54	17	36	36	24	30	14	9	...	54	25	43	17	10	6	...
Mauritius and Dependencies	56	50	50	52	52	62	55	50	20	74	46	37	47	48	48	21
Cuba	...	...	...	39	46	17	25	32	3	...	30	28	9	21	28	3
West Indies	...	...	...	17	22	36	43	29	3	19	14	14	25	34	24	4
United States of America	...	...	...	1	1	3	2	3	2	...	1	1	2	2	4	2
Arabia	25	38	47	44	44	48	47	49	30	...	48	36	41	44	48	32
Other Countries	572	446	289	357	210	292	219	283	24	480	130	1,22	181	163	212	68
Total British Empire	1,044	1,094	835	721	790	583	802	860	166	110,80	5,92	4,90	5,18	608	650	191
,, Foreign Countries	1,354	591	627	967	943	1,009	592	597	61	5,61	8,31	5,62	5,12	487	449	70
GRAND TOTAL	2,398	1,685	1,462	1,828	1,733	1,593	13,94	14,57	227	25,67	14,23	10,52	10,03	10,95	11,59	261
Percentage of Br. Empire	43·5	65·0	57·1	40·0	45.4	37.0	60·5	63·8	73·1	...	...	...	...	...	...	...

Exports of Hides and Skins.

Raw Hides

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	31	1,09	60	4	11	10	14	28	21
United States of America	69	1,65	86		1	1	1	5	8
Italy	84	1,45	52	13	18	24	12	9	8
Spain	47	21	26	4	4	3	5	...	...
France	8	9	5	...	...	...	...	3	4
Belgium	7	1	4	...	...	...	...	...	...
Germany	2,43	25	75	19	34	29	37	43	37
Netherlands	17	1	4	4	6	10	5	3	8
Other Countries	1,52	28	30	23	26	33	33	42	76
Total British Empire ...	34	1,16	68	4	12	10	14	28	21
Total Foreign Countries ...	6,23	3,88	2,74	59	89	100	98	105	136
Grand Total	6,57	5,05	3,42	63	1,01	1,10	1,12	1,33	1,57
Percentage of British Empire in total	5·2	22·9	19·9	3·3	12	9·1	12·5	20·9	13·4

Raw Skins

Name of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	26	39	50	54	84	46	76	88	1,03
United States of America	2,80	3,93	4,80	91	1,59	1,09	1,63	1,55	1,61
France	25	22	28	21	16	6	6	16	12
Other Countries	42	28	43	54	64	41	53	42	61
Total British Empire ...	32	57	69	61	91	54	87	88	1,03
Total Foreign Countries ...	8,41	4,25	5,33	1,53	2,32	1,48	2,11	2,13	2,84
Grand Total	8,73	4,82	6,02	2,14	3,23	2,02	2,98	3,01	3,87
Percentage of British Empire in total	8·6	11·8	11·3	28·5	28·1	26·7	29·2	29·0	30·6

Exports of Wheat

Name of Countries to which Exported	(Quantity in Thousands of Tons) Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	(Value in Lakhs of Rupees) Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	985	340	162	...	...	8·6	7·0	209·9	290·2	10·51	...	...	7	5·9	188·2	291·4
France	106	84	18	...	...	...	..	...	...	113	...	...	...	...	...	...
Italy	34	62	11	...	...	...	...	...	...	37	..	...	..	...	...	...
Belgium	133	6	16	...	...	...	..	...	...	146	..	...	...	...	...	...
Germany	16	...	8	..	...	..	...	...	148·0	...	...		...	...	8·9	147·3
Egypt	4	268	9	..	...	...	...	9·8	...	4	...	...	...	..	...	...
Arabia	...	...	...	0·6	0·6	0·7	0·6	...	...	...	1	0·6	0·7	0·6	...	...
Other Countries ...	25	47	13	1·6	1·5	1·7	2·0	11·8	21·6	46	3	2·7	2·9	3·0	12·4	23·7
Total British Empire ...	992	630	173	...	...	8·6	7·0	209·9	290·2	10,60	...	...	7·0	6·0	188·2	291·4
,, Foreign Countries	316	177	64	2·2	2·1	2·4	2·6	21·6	169·6	3,37	4	3·3	3·6	3·5	21·4	171·0
GRAND TOTAL ...	1,308	807	237	2 2	2·1	11·0	9·6	231·5	459·8	13,97	4	3·3	10·6	9·5	209·6	462·4
Percentage of British Empire ...	75·8	78·1	73·0	...	...	78·2	72·9	69·6	60·8	...	...	..	...	...	...	...

Exports of Hides and Skins Tanned and Dressed.

Dressed and Tanned Hides.

(Value in Lakhs of Rupees)

Name of Country to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-3	1935-36	1936-37	1937-38
United Kingdom ...	1,52	4,38	2,91	1,60	2,38	1,94	2·21	3,06	3,08
Other Countries ...	4	2	29	2	3	4	8	12	13
Total British Empire ...	1,53	4,39	3,03	1,61	2,38	1,94	2,21	3,06	3,08
Total Foreign Countries ...	4	1	16	1	3	4	8	12	13
Grand Total ...	1,57	4,40	3,19	1,62	2,41	1,98	2,29	3,18	3,21
Percentage of British Empire in total	97·5	99·8	95·0	99·4	99·0	98·5	97·3	96·2	95·9

Dressed and Tanned Skins.

Name of Country to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-3	1935-36	1936-37	1937-38
United Kingdom	2,15	1,99	2,14	2,77	2,92	2,91	2,62	3,22	2,91
United States of America ...	29	59	25	...	4	3	3	2	2
Japan	13	12	36	21	21	24	19	22	17
Other Countries	13	6	18	6	7	7	7	11	15
Total British Empire ...	2,21	2,02	2,26	2,81	2,95	2,93	2,63	3,23	2,92
Total Foreign Countries ...	50	73	67	23	29	32	28	34	33
Grand Total ...	2,71	2,75	2,93	3,04	3,24	3,25	2,91	3,57	3,25
Percentage of British Empire in total	81·5	74·5	79·5	92·1	9[illegible]·5	90·2	90·0	90·5	89·8

Exports of Manganese Ore.

(*Quantity in Thousands of Tons*) (*Value in Thousands of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ..	1,93	3,36	2,45	55	117	159	197	2,16	339	30,66	14,16	25,40	32,82	38,64	43,93	60,81
Germany ...	7	3	5	1	3	1	17	15	17	...	25	60	31	3,61	4,31	4,48
Netherlands ..	19	...	15	2	3	...	15	20	5	...	50	55	...	2,53	2,59	94
Belgium	1,50	15	1,94	32	19	37	72	93	85	25,84	9,50	2,49	6,50	12,65	20,36	22,67
France	97	47	1,08	75	61	113	119	87	189	17,24	16,83	10,60	17,76	20,69	17,19	42,62
Italy	12	12	12	...	...	...	16	2	35	...	..	.	...	...	26	11,96
Japan		12	2	31	62	99	174	128	187	...	6,65	10,77	13,95	28,96	20,18	35,14
United States of America	1,32	48	66		.	45	106	87	169	18,75	...	1	8,07	19,99	16,48	34,71
Other Countries ...	2	1	1	2	6	50	13	24	30	6,15	35	29	1,07	5,19	5,25	8 01
TOTAL ...	6,07	4,74	6,48	1,98	266	460	729	677	1056	93,64	48,24	51,34	80,48	132,41	131,54	221,29
Percentage of U.K. to total	1·8	70·9	37·8	27·8	44·0	34·1	27·0	27·0	32·1	31·8	29·4	50·0	40·8	29·1	31·6	27·5

Exports of Shellac.

(*Quantity in Thousands of Cwts.*) (*Value in Lakhs of Rupees.*)

United Kingdom ...	79	65	66	309	229	44	145	105	...	25	1,23	144	17	42	27
United States of America	164	191	233	94	82	87	156	141	...	22	31	49	31	49	38
Germany	61	4	11	40	20	28	50	50	...	10	11	13	10	16	13
France	18	9	9	12	8	9	13	10	...	3	4	5	3	4	3
Japan	4	12	10	31	48	54	67	87	...	8	10	29	19	21	11
Australia	2	2	2	3	4	7	5	4	...	2	1	3	2	1	1
Belgium	..	...	...	3	3	4	3	3	...	1	1	2	1	2	1
Italy	...	...	...	6	6	7	2	3	...	2	2	4	3	1	
Other Countries ...	28	18	15	31	46	75	55	57	...	10	11	38	18	17	17
TOTAL ...	356	301	356	529	432	285	497	410	...	83	1,94	2.37	104	153	111
Percentage of B. Empire to Total ...	22·8	22·3	21·9	59·0	49·8	15·5	29·1	25·6	...	32·5	60·4	50·2	16·3	27·4	24·5

Exports of Pig Lead

(Value in Lakhs of Rupees)

Names of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	117'6	127'7	88'0	111'5	168'0	...
Germany	...	...	...	...	...	...
Belgium	...	...	...	...	...	.
Ceylon	4'0	3'6	3'2	3'3	4'7	...
China	3'2	0'9	0 5	...	...	...
Japan	20'9	17'1	40 6	54'5	58'8	...
Other Countries	1'9	2'4	7'9	9'1	23 0	..
Total British Empire (United Kingdom and Ceylon)	121'6	131'3	86'9	114'8	172'7	...
,, Other Countries	26'0	20'4	49'0	63'6	62'2	..
TOTAL	147'6	151'7	135'9	178'4	234'9	...
Percentage of U. K. and Ceylon in total ..	82'3	87'5	63'9	64.3	73'6	...

Exports of Wolfram Ore

(Value in Lakhs of Rupees)

United Kingdom	50'2	60'9	97'5	127'1	73'4	...
Germany	0'7	1'7	4'0	3'9	4'5	...
Other Countries	0'5	1'8	5'9	9'6	3'0	0'6
TOTAL	51'4	64'4	107'4	140'9	109'0	0'6
Percentage of United Kingdom	97'7	94'5	90'9	90'4	67'3	...

Exports of Coal

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	...	3'6	3'1	...	...	...	...
Ceylon	43	20'0	25'9	23'0	12'6	17'1	35'9
Burma	..	..	...	...	...	...	48'7
Straits Settlements	17	1'9	0'5	1'8	1'0	1'1	3'7
Hongkong	...	13'8	6'5	3'3	2'9	...	1'2
Philippine Islands and Guaw	...	0'7	0'4	...	...	...	...
Other Countries	16	3'8	0'7	0'7	0'8	2'2	5'1
Total British Empire	60	39'3	36'2	28'4	16'5	18'2	89'5
,, Foreign Countries	16	4'5	1'1	'7	0'8	2 2	9'5
GRAND TOTAL ...	76	43'8	37'3	29'2	17'3	20'4	99'0
Percentage of British Empire in total ...	78'9	89'7	97'0	97'6	95'4	89'24	...

Exports of Pig Iron

United Kingdom	26'1	21'6	21'3	15'0	39'8	102'3
Germany	2'7	1'8	0'8	0'8	...	...
China	5'9	4'4	3'8	1'9	1'9	1'1
Japan	24'2	40'2	54'2	91'8	69'0	128'9
United States of America	10'9	13'8	6'9	12'0	12'9	21'3
Other Countries	4'6	3'2	5'7	8'0	5 9	6'1
TOTAL	74'4	85'0	92'7	124'5	129'0	259'7
Percentage of United Kingdom	35'1	26'2	22'9	12'0	30'8	39'4

Exports of Raw Wool

(In Lakhs of Rupees.)

	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	261	93	146	92	138	201	209
United States of America ...	4·5	9	33	25	57	65	43
Other Countries	2·5	8	19	10	15	20	13
TOTAL ...	268	110	198	127	210	286	265

Manufactures.

	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	19	44·6	56·5	73·9	0·3	65·6	76·2
Ceylon	...	1·9	1·9	1·6	60·7	0·5	...
United States of America ...	2·4	12·7	8·5	7·8	13·1	12·0	13·8
Australia	...	0·7	0·6	1·0	1·6	1·0	1·1
Other Countries	1·7	3·6	5·2	5·5	4·9	6·5	11·4
TOTAL ...	25·1	63·5	72·7	89·8	80·6	85·6	102·5
Other kinds of Woollen Manufactures	2·8	4·3	1·3	2·0	2·3	2·2	5·3
Total of Woollen Manufactures ...	25·9	67·8	74·0	91·8	82·9	87·8	107·8
Total of Wool and Woollens ...	294·0	177·8	273	219·2	293·0	373·9	372·4

Table showing the volume of principal articles imported into British India

(Figures in thousands unless stated otherwise)

Names of Articles	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Cotton—									
Piecegoods (millions of yds.) ...	2,654	1,853	1,352	1,225	796	944	917	764	591
Twist and yarn (millions of lbs.) ...	42	34	45	45	32	34	45	29	22
Raw Tons ...	12	58	12	85	43	60	61	65	134
Waste Cwt. ...	3	2	...	...	...	...	...	...	...
Metals and Ores.—									
Iron and Steel { Protected Tons / Not Protected ,, } ...	808	422	661	237 (Protected) / 136 (Not Protected)	244	456	449	363	372
Copper ,, ...	593	90	260	325	: 78	495	417	221	316
Lead ,, ...	123	102	67	27	28	28	28	26	156
Zinc ,, ...	106	51	101	326	318	376	4,87	4,76	447
Brass ,, ...	20	113	444	571	471	637	5,09	3,29	219
Aluminium ,, ...	131	9	58	25	39	52	64	63	67
Sugar ,, ...	727	553	517	402	264	223	201	23	19
Oils:—									
Mineral (millions of gallons) ...	91	83	139	188	186	201	227	234	475
Other kinds (thousands of gallons) ...	1,197	862	445	8,151	6,383	8,346	9,536	8,932	7,855
Motor Cars No. ...	(a) 3	2	8	6	10	11	14	13	16
,, Cycles ,, ...	(a) 1	1	2	0·8	0·7	0·8	0·7	0·9	1·3
,, Omnibuses, etc, ,, ...	...	...	1	3	5	10	8	9	15
Grain, Pulse and Flour Tons ...	15	34	136	77	124	416	236	100	1,366
Silk Raw & Waste lbs. ...	2,567	1,953	1,816	3,186	2,379	2,217	2,191	1,974	2,535
,, Piecegoods including mixed goods (in millions of yds.) ...	32	23	20	45	51	47	36	28	30
,, Yarns, Noils, Warps, etc. lbs. ...	1,011	787	734	3,010	2,028	3,293	3,628	2,444	2,337
Wool—Raw ,, ...	3,202	3,678	2,086	7,186	5,099	5.985	7,485	6,774	8.173
Piecegoods (millions of yds.) ...	22	8	5	14	11·5	11	5	5	7
Shawls No. ...	1,668	198	80	338	332	416	500	495	493
Liquors gallons. ...	6,401	4,362	4.825	5,415	4,855	4.912	5,121	5,069	4,917
Paper and Pasteboard cwts. ...	...	...	1,229	2,640	2,564	2,938	3,333	3,203	3,635
Spices ,, ...	1,329	1,365	1,265	1,272	1,365	1,509	1,634	1,758	1,646

(a) Figures for 1913-14.

Table showing the volume of principal articles imported into British India—(*Contd.*)

(Figures in thousands unless stated otherwise)

Names of Articles		Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Chemicals—	cwt. ...	531	826	903	1,638	1,672	1,909	2,347	1,835	2,216
Tobacco	(in millions of lbs.) ...	3	4		6	5	4	3	4	8
Glass—Bottles and Phials	gross ...	166	345	333	810	736	8,30	1,040	846	846
Glass Beads and false Pearls	cwt. ...	29	18	22	23	22	21	22	19	22
,, Sheet & Plates	(millions of sq. ft.) ...	16	8	15·5	19	20	25	31	27	21
Dyes from Coal tar	(in millions of lbs.) ...	15	3	12	13	14	19	20	17	21
Camphor	lbs. ...	1,417	1,632	707	1,753	1,786	2,019	2,207	1,868	1,771
Quinine Salt	,, ...	119	76	81	103	128	108	104	99	105
Fruits—Dried, Salted, etc.	tons ...	53	53	63	61	57	84	90	90	93
Soap	cwt. ...	314	312	289	296	303	207	60	48	42
Paints and Colours	,, ...	296	255	299	340	370	356	371	372	279
Cement	tons. ..	30	95	119	83	66	67	59	51	32
Bricks and Tiles	(millions) No. ...	18	17	20	11	14	14	18	15	22
Salt	...	545	444	511	514	373	378	387	382	317
Teak wood	C. tons. ...	92	70	26	7	12	9	1	7	170
Boots and Shoes	(millions of pairs) ..	2·3	1·2	0·6	7·9	7·3	4·3	2·9	1·7	1·2
Books, Printed, etc.	cwt. ...	31	23	23	27	30	34	34	39	42
Tea	(millions of lbs.) ...	4·8	7·4	7·7	5·8	4·7	3·1	4·1	4·1	3·6
Coal and Coke	tons. ...	455	133	630	47	76	71	76	92	84
Paper-making materials	cwt. ...	171	135	165	313	406	390	309	221	1·4
Gums and Resins	cwt. ...	159	87	163	146	187	197	196	184	12
Flax manufactures	(millions of yds.) ...	5·2	3·1	1·3	1·6	1·6	1·7	1·2	1·2	2·8
Animals—living	No. ...	14	12	5	5	6	9	9	10	76
Hides and Skins—raw	tons. ...	1	1	1	1·8	2·2	2·0	1·9	1·6	1·6
Tallow and Stearine	cwt. ...	57	40	64	140	117	147	149	205	223
Fish (excluding Canned Fish)	cwt. ...	205	129	119	93	103	97	110	99	76
Matches	(millions of gross) ...	14·6	14·6	12·7	0·06	0·08	0·05	0·11	0·05	1·1
Oil-Cloth and Floor-Cloth	sq. yds. ...	1,444	1,121	684	914	836	1,014	1,060	1,065	1,238
Cordage and Rope	cwt. ...	23	25	15103	15	18	22	30	26	19
Pitch and Tar	...	290	219	...	117	155	105	82	64	46

Table showing the value of principal Imports into British India

(In Lakhs of Rupees)

Names of Articles	Pre-War Average 1909-10 to 1613-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Cotton—Raw and Waste	1.03	45	2,01	7,26	3,56	5,28	6,75	5,85	12,13
" Piecegoods	45,24	44,40	58,25	21,26	13,49	16,92	15,78	13,87	11,70
" Other Manufactures	6,94	798	12,89	5,57	4,25	4,84	5,36	4.11	3,86
Machinery and Millwork	5,61	514	21,65	10,54	12,77	12,64	13,68	14,14	17,16
Metal and Ores-Iron and Steel	12,49	10,11	21,39	5,30	5,53	11,09	7,22	5,94	18 25
Copper	3,07	71	1,92	1,15	88	1,40	1,17	81	1,40
Other Metals	2,51	2,07	4,90	3,28	3,06	3,48	3,64	2,92	3,77
Ores	2	2	4	1	1	1	1	2	2
Oils—Mineral	3,72	4,02	8,03	6,70	5,83	6,07	5,92	5,93	17,45
Other Oils	23	22	25	1,30	92	90	1,33	1,32	1 25
Silk—Raw and Manufactures	395	3,93	5,74	4,33	3,59	3,37	2,78	2,41	2,86
Sugar (including Molasses)	12,93	14,56	19,71	4,23	2,71	2,11	1,91	24	19
Instruments, Apparatus and Appliances	1,36	1,66	3,92	3,85	4,02	4,73	5,18	5,19	1,13
Vehicles—Motor Cars	1,13*	75	3,12	1,29	1,77	2,57	2,51	2,43	2.98
" Cycles	11*	6	19	4	3	4	3	4	5
" Omnibuses	6	6	70	41	66	1,21	1,20	1,31	2,07
Other Vehicles	45	75	2,25	2,08	2,31	2,76	3,18	2,79	2,82
Hardware	3,17	2,79	5,79	2,99	2,88	3,05	3,27	2,89	3,31
Wool and Woollens	3,25	2,00	2,62	2,96	2,55	3,86	2,79	2,87	4,15
Provisions and Oilman's Stores	2,29	2,28	3,20	2,93	2,72	2,89	3,12	3,20	2,60
Paper and Pasteboard	1,27	2,02	3.50	2,86	2,63	2,73	300	2,82	4,15
Chemicals	90	1,92	2,05	2,71	2,70	2,92	312	2,72	3,33
Dyes	1,33	1.06	2,91	2,50	2,46	3,08	334	3,01	3,94
Liquors	2,02	2,37	3,72	2,26	2,27	2.36	2,48	2,40	2,30
Rubber	23	97	1,84	1,98	1,88	2,06	2,07	2,11	1,89
Drugs and Medicines	94	1,21	1,70	1,86	1,93	1.92	2,11	2,07	2,36
Spices	1,64	2,06	2,37	1,72	1,56	1,55	1,62	1,88	1,83
Glass and Glassware	1,62	1,23	2,53	1,42	1,22	1,33	1,39	1,28	1.52
Fruits and Vegetables	1,08	1,10	1,76	1,17	1,00	1,30	1,31	1,42	1,58
Tobacco	71	1,32	2,23	97	72	62	62	81	85
Paints and Painter's Materials	71	99	1,44	92	92	97	1,02	97	1,02
Apparel	147	143	1,70	84	82	82	71	80	68
Precious Stones and Pearls, unset	93	47	1,19	84	75	50	48	98	1,24
Soap	62	96	1,71	83	78	63	34	27	24
Salt	79	1,82	1,74	79	50	52	57	60	56
Building and Engineering Materials	78	99	1,67	77	65	60	78	67	69
Stationery	58	64	1,07	72	66	69	76	75	81

*Figures for 1913-14.

Table showing the value of principal Imports into British India—(*Contd.*)

(*In Lakhs of Rupees*).

Name of Articles	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1931-32	1933-34	1934-35	1935-36	1936-37	1937-38
Grain, Pulse and Flour	20	53	2,70	71	84	2,66	162	72	12,17
Haberdashery and Millinery ...	1,37	1,02	1,31	68	55	67	59	64	64
Toiltet Requisites	20	25	42	58	57	64	66	67	68
Belting f r Machinery	40	60	34	53	46	50	54	46	60
Manures	5	5	10	53	52	67	71	80	80
Boots and Shoes	57	41	41	52	48	35	29	21	22
Wood and Timber	79	1,02	1,09	51	54	57	53	49	2,98
Earthenware and Porcelain ...	52	46	78	50	43	44	46	47	43
Tea Chests	44	80	72	48	53	52	58	56	72
Toys and Rquisites for Games ...	40	30	52	47	53	51	48	44	44
Books, Printed, etc.	43	46	53	46	49	52	53	57	62
Arms, Ammunition and Military Stores	34	33	60	44	43	24	49	66	1,28
Tea	22	47	55	35	25	17	25	18	18
Jewellery, also plate of gold and silver	24	9	17	34	5	21	11	16	6
Bobbins	...	37	66	29	22	29	31	22	43
Umbrellas and Fittings	42	29	38	28	27	27	29	19	28
Tallow and Stearine	16	16	28	25	20	22	28	36	...
Cutlery	22	15	30	24	26	28	29	29	31
Gums and Resins	24	20	33	24	27	27	26	23	27
Paper-making Materials	11	18	31	22	27	26	20	15	18
Furniture and Cabinetware	22	15	26	18	17	20	23	21	21
Flax, Raw and Manufactures ...	31	42	39	17	17	18	18	17	22
Animals, Living	44	52	25	15	28	25	20	16	35
Fish (excluding canned fish) ...	31	20	22	14	15	17	19	18	7
Jute and Jute Goods	19	36	22	13	10	9	11	9	6
Clocks, Watches and parts	23	18	24	13	16	16	18	40	52
Coal and Coke	81	30	2,25	10	14	12	13	51	17
Matches	88	1,53	1,77	1	1	1	1	...	20
All other articles	7,96	10,33	24,24	10,31	18,01	13,59	12,75	11,69	10,17
TOTAL ...	1,45,85	1 47,80	2,54,05	1,32,58	1,15,36	1,32,25	1,34,37	1,25,24	1,73,45

Imports of Cotton, Twist and Yarn

(*Quantity in Lakhs of Lbs.*) (*Value in Lakhs of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	370	247	257	133·6	99·5	97·8	97·7	76·7	66·3	335·2	131·8	95·8	100·5	97·5	78·9	77·6
Switzerland ..	11·3	3·4	6·0	0·7	0·1	0·1	...	...	...	...	0·7	0·1	0·1	...	...	...
Italy	6·1	3·0	2·9	...	0·2	...	...	...	...	5·0	...	0·2	...	...	...	..
China (including Hongkong)	0·4	2·3	7·3	133·2	102·3	127·7	134·2	49·9	5·3	...	84·3	64·8	92·3	90·2	37	8·0
Japan	4·6	74·2	167·9	181·5	116·8	113·4	213·1	158·3	146·4	6·2	160·7	95·7	115·9	179·2	137·4	168·2
Other Countries ...	25·5	10·7	5·7	2·0	1·6	1·1	·8	0·4	2·0	30·8	1·3	0·9	0·9	1·6	0·3	1·9
TOTAL	417·9	340·6	446·8	451·0	320·6	340·17	445·7	285·2	220·0	377·2	298·9	378·8	257·5	309·8	371·1	250·7
Percentage of U. K. ...	88·5	72·5	57·5	29·6	31·0	28·	21·9	26·6	31·4	88·8	40·7	34·8	36	32·4	26·3	30·9

Imports of Cotton Piecegoods

(*Quantity in Millions of Yards*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Grey—																
United Kingdom ...	1,316	815·2	569	111·1	88·2	102·7	85·4	53·4	24·0	20,74	176	135	158·0	133·0	91·9	44·2
Japan	2·6	81·2	97	243·9	141·6	193·7	246·1	203·2	108·9	...	329·6	170	243·3	300·0	245·6	145·4
United States	10·4	7·4	8	0·3	0·2	0·3	...	...	...	...	0·6	0·5	0·8	...	...	...
Other Countries ...	2·0	1·1	3	0·7	0·1	0·7	0·4	0·2	0·2	35	1·1	·3	1·8	1·0	0·2	0·5
TOTAL	1,331	904·9	677	356·0	230·1	297·4	331·9	261·8	133·1	21,09	507·3	305·8	403·1	434·0	387·7	190·1
White—																
United Kingdom ...	642·9	510·0	363·5	281	184·2	236·6	199·0	164·0	128·7	10,87	526·8	369	451·6	389·9	344·8	282·2
Netherlands	7·6	3·8	4·4	2·2	1·5	2·0	1·5	1·9	1·1	..	6·5	4	5·6	4·0	4·5	3·5
Switzerland	2·6	0·8	1·7	6·5	0·6	4·6	3·5	4·7	6·1	...	24·9	2	16·8	14·7	19·9	27·2
Japan	...	3·3	2·6	120·4	75·2	40·3	58·2	48·1	64·9	..	162·6	96	64·5	84·0	74·6	98·1
Other Countries ...	1·1	1·0	1·4	2·6	0·4	1·9	1·0	1·2	1·4	33	11·8	2	8·0	5·4	5·3	7·0
TOTAL	654·2	518·9	373·6	412·7	261·9	285·2	263·3	219·6	202·2	11,20	732·5	478	546·6	498·0	449·1	718·0

Imports of Cotton Piecegoods—(*Contd.*)

(*Quantity in Millions of Yards*) (*Value in Lakhs of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Coloured, Printed or Dyed—																
United Kingdom ...	590·4	350·8	254·6	194·3	142·4	215·1	155·0	116·7	114·0	11,30	487·6	354·1	504·3	377·3	294·1	315·7
Germany	...	...	...	0·6	0·3	0·1	0·2	0·2	0·2	..	4·9	...	1·0	1·1	1·3	1·4
Netherlands	15·2	8·8	7·0	2·6	0·1	0·2	0·3	...	...	...	7·7	0·4	0·4	0·7	...	...
Belgium	4·1	0·5	0·8	0·2	0·2	0·1	...	...	...	...	1·5	...	0·7	..	...	...
Switzerland	2·7	1·7	1·5	3·3	...	3·0	2·2	2·8	3·2	...	14·1	...	10·9	..	9·1	12·4
Italy	10·3	9·1	4·2	7·2	0·4	1·8	0·6	...	0·7	...	18·8	1·4	5·9	2·0	2·6	3·1
Straits Settlements (including Labuan) ...	1·5	0·7	1·4	0·2	0·9	0·3	...	...	...	...	0·8	1·4	0·7	...	...	...
Japan	0·5	13·1	14·0	214·2	123·9	139·8	191·5	160·6	132·4	...	291·9	165·4	211·7	251·4	237·6	215·8
Other Countries ...	6·9	1·6	1·9	2·2	0·5	0·5	0·7	2·1	5·2	1,65	6·8	2·7	6·0	3·3	5·0	5·2
TOTAL	631·5	336·3	285·4	424·8	263·7	369·9	351·3	232·5	255·7	12,95	834·1	525·4	742·7	645·8	549·9	561·6
Fents—																
United Kingdom	14·4	26·1	11·9	10·7	11·1	...	...	1·9	2·5	...	19·3	16·6	...	..	12·1	16·0
United States of America	0·8	5·3	4·3	19·4	15·6	...	...	0·6	1·6	...	30·2	15·9	...	...	2·9	9·6
Japan ...	...	...	...	1·2	8·2	...	...	11·1	2·0	..	1·3	11·9	...	...	82·6	16·8
Other Countries ...	0·2	0·5	0·1	0·4	0·2	...	...	...	0·1	...	1·1	0·5	...	...	0·1	0·8
TOTAL	14·9	31·9	16·3	31·7	34·92	...	...	13·6	6·2	...	51·9	44·9	...	...	97·7	43·2

Imports of Sugar

(*Quantity in Hundreds of Tons.*) (*Value in Lakhs of Rupees*)

Names of Countries	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	7	4	7	34,9	36,7	16,8	23,4	4	3	25·4	33·1	38·1	15·8	20·9	1·1	1 1
Ceylon	.	...	...	1	...	...	...	...	...	...	0·1	...	...	...	...	...
Straits Settlements ...	1,7	28,5	7,5	2	...	...	2	1	...	3·7	0·5	0·1	·2	0·4	0·2	...
Java	453,0	367,2	382,8	294,8	194,4	175,2	150,4	15,0	103	923·3	329·7	197·9	163·9	140·2	13·1	12·3
China (Incl. Hongkong)	4,4	5,7	6,5	2,2	3,4	3,8	3,9	50	21	10·3	4·4	4·9	5·6	4·6	4·3	3·0
Russia	..	...	..	8,8	...	...	...	...	...	...	8·9	...	...	...	...	...
Poland	...	...	...	...	...	...	...	...	...	...	...	...	...	...		...
Germany	...	...	...	2	...	1	...	...	...	3·8	0·3	...	...	...	...	...
Hungary	...	...	113	...	...	...	...	...	...	85·1	...	...	...	...		...
Czechoslovakia ...	...	...	...	4	...	...	...	...	...	...	0·5	...	...	...	...	...
Other Countries ...	174,2	70,2	35,2	27,8	26,9	26,2	24,3	27	17	209·4	29·7	19·3	25·2	24·6	5·2	2·2
TOTAL ...	634,	472,0	444,0	401,7	261,4	222,7	201,2	23,1		12,51·0	422·9	270·3	210·7	190·7	23·9	18·6

Imports of Machinery and Millwork.

(*Value in Lakhs of Rupees*)

	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	497·7	420·4	17,60·3	7,81·2	8,73·5	915·3	925·5	926·3	1090·1
United States of America	24·6	66·8	3,10·8	81·1	80·7	114·8	117·1	125·4	185·9
Japan	0·6	13·5	6·0	4·1	7·8	11·2	17·6	18·3	49·2
Italy	1·4	2·4	4·3	...	...	...	...	...	...
Germany	30·3	2·5	38·9	98·1	131·8	126·6	164·1	202·8	256·6
Belgium	1·8	...	. .	38·6	42·6	16·7	27·5	31·1	26·2
Other Countries ...	4·7	8·3	44·5	51·1	140·5	79·1	115·7	110·0	157·7
TOTAL ...	561·1	5,13·9	21,64·8	10,54·2	12,76·9	1263·7	1367·7	14,18·9	1715·6
Share of United Kingdom	88·7%	81·8%	81·3%	4·1%	68·4%	72·4	67·6	65·5	63·5

Imports of some kinds of Iron & Steel Manufactures

(Quantity in Thousands of Tons) *(Value in Lakhs of Rupees)*

	Qty 1931-32	Qty 1932-33	Qty 1933-34	Qty 1934-35	Qty 1935-36	Qty 1936-37	Qty 1937-38	Value 1931-32	Value 1932-33	Value 1933-34	Value 1934-35	Value 1935-36	Value 1936-37	Value 1937-38
Iron —														
Ore	0.4	0.7	2.0	1.5	1.7	1.6	1.9	0.3	0.6	1.5	1.1	1.3	1.3	2.1
Manufactures														
Angle, Tee, Bolt and Rod Protected ...	—	—	—	2.5	—	—	...	0.1	—	—	2.2	—	—	0.8
" not Protected ..	2.1	2.9	1.8	0.8	—	—	...	0.9	2.8	1.7	0.6	—	—	...
Bars and Channels Protected ..	0.4	0.2	0.2	0.5	1.0	0.7	1.1	0.4	0.2	0.2	1.2	2.3	1.6	2.7
" not Protected ..	0.9	1.0	1.1	0.8	—	—	...	2.4	2.5	2.7	2.0	—	—	...
Other Manufactures	0.1	0.1	—	0.1	0.1	0.1	...	0.4	0.4	0.3	0.3	0.2	0.2	0.2
Total of Iron excluding ore Protected ...	0.5	0.2	0.2	3.1	1.1	0.7	1.3	0.5	0.2	0.2	3.3	2.4	1.6	3.1
" " not Protected ...	3.5	4.7	5.0	3.2	1.8	1.7	1.9	5.1	6.3	6.2	4.0	1.5	1.5	2.2
TOTAL ...	4.0	4.9	5.2	6.3	2.9	2.4	3.2	5.6	6.5	6.4	7.4	3.9	3.16	5.3
Steel—														
Angle, Tee and Spring Protected ...	18.4	11.7	11.4	13.9	19.6	15.5	15.1	16.9	10.1	10.9	14.2	19.9	16.6	22.8
" not Protected ...	0.7	0.6	0.1	—	—	—	...	1.0	0.8	0.2	—	—	—	...
Bars (Other than Cast Steel) ...	72.5	69.2	65.1	2.6	54.5	27.5	51.2	65.1	56.8	63.0	68.8	61.7	36.5	96.7
Other Kinds	2.3	2.3	2.7	12.4	18.1	35.5	28.4	5.7	7.7	9.2	14.1	15.7	28.1	34.4
TOTAL OF STEEL Protected ...	50.5	33.6	31.2	44.3	74.8	44.1	67.0	47.5	31.1	32.4	51.6	86.1	57.6	122.7
" not Protected ...	43.4	50.2	49.1	44.7	17.4	33.8	26.9	41.2	44.4	50.9	45.5	11.2	23.1	31.2
TOTAL ...	93.9	83.8	80.3	89.0	92.2	77.9	93.9	88.7	75.5	83.3	97.2	97.3	80.7	153.9
Iron or Steel—														
Beams, Channels, Pillars { Protected fabricated }	4.6	1.4	2.3	1.4	1.7	2.5	2.1	10.9	3.0	4.9	2.9	4.6	6.3	5.3
Girders, Bridge Works { Protected others }	31.5	14.3	16.9	20.9	27.0	22.4	24.3	28.8	12.3	16.1	20.6	26.6	... 23.2	35.4
TOTAL ...	36.1	15.7	19.2	22.3	28.7	24.9	26.4	15.3	21.0	23.5	31.2	29.6		40.7
Bolts and Nuts ... Protected ..	7.0	6.5	7.6	10.2	12.6	9.4	10.6	18.3	21.1	28.6	32.0	28.5		35.1
Fencing Materials (including Fencing Wire) } ...	3.5	4.5	5.7	7.3	8.8	7.8	4.3	14.2	14.9	18.1	18.1	15.2		12.3
Hoops and Strips	23.8	24.3	28.0	34.5	46.9	41.2	48.5	27.6	35.8	45.3	57.1	53.9		85.7
Nails, Rivets & Washers { Protected ...	2.1	2.6	4.8	5.6	8.0	5.9	8.0	4.9	8.6	10.6	14.9	11.2		18.7
(other than Wire Nails } not Proteted...	8.7	7.9	5.8	6.6	7.9	6.4	7.3	25.8	19.7	21.5	25.1	21.3		26.9
TOTAL ...	10.9	10.5	10.6	12.2	15.9	12.3	15.3	30.7	28.3	32.1	40.0	32.5		45.6
Pipes and fitting Casts	1.7	2.0	3.4	1.6	1.4	1.4	1.4	6.0	7.6	6.9	6.8	6.6		7.0
Rails, Chairs and Fish-plates ...	4.6	1.7	3.0	5.3	7.9	10.0	7.5	4.4	5.0	7.5	7.8	10.1		11.1
Screws.	2.0	2.0	1.4	1.7	2.3	1.9	2.9	9.9	6.2	7.5	10.4	8.4		15.9
Sheets and Plates { Protected ...	83.4	72.4	60.1	58.5	73.2	64.6	42.8	122.9	112.2	110.3	129.7	109.9		97.4
Galvanised } not Protected ...	0.6	0.3	0.7	0.3	—	—	.	0.5	1.2	0.6	—	—		..
TOTAL ...	84.0	72.7	60.8	58.8	73.2	64.6	42.8	123.4	113.4	110.9	129.7	109.9		97.4

Imports of some kinds of Iron & Steel Manufactures

		(Quantity in Thousands of Tons)							(Value in Lakhs of Rupees)						
		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Tinned ...	Protected ...	7·6	7·0	7·2	5·6	6·5	1·4	7·5	19·9	19·5	21·4	17·0	20·4	5·7	28·9
Not Galvanised or Tinned ...	...	22·1	22·1	23·8	31·4	37·4	26·5	23·8	28·5	27·1	31·0	42·6	48·5	36·0	46·4
Sleepers and Keys of Steel	Protected	5·3	3·3	2·8	4·2	4·5	4·6	2·4	7·6	4·2	4·2	6·3	7·0	6·5	4·0
	not Protected	0·3	—	—	—	—	—	0·1	0·6	0·1	—	0·2	—	—	0·1
	Total ...	5·6	3·4	2·9	4·3	4·5	4·6	2·5	8·3	4·3	4·2	6·5	7·0	6·5	4·1
Tubes, Pipes and Fittings Wrought	Protected	—	—	0·6	0·2	0·1	1·4	...	0·1	...	1·8	0·9	0·2	2·9	...
	not Protected	23·8	23·5	28·5	34·7	62·0	38·9	41·4	71·2	61·7	69·8	87·9	111·6	76·7	107·0
	Total ...	23·8	23·5	29·0	34·9	62·1	40·3	41·4	71·3	61·7	71·6	88·8	111 8	79·6	107·0
Wire Nails ...	... ...	9·5	13·2	11·9	15·6	15·3	8·0	6·2	14·8	23·3	20·0	24·1	21·9	12·5	15·2
Wire Rope ...	... ...	2·6	2·0	2·3	3·2	3·0	3·4	4·3	14·2	10·7	11·5	15·5	14·9	17·8	23·7
Wire other than Fencing Wire	Protected not Protected	9·4	9·6	8·4	9·5	9·6	8·6	8·4	15·4	17·1	14·6	15·9	15·7	14·1	21·8
Other Manufactures	Protected	10·1	9·0	8·8	7·3	8·0	6·3	8·6	18·1	13·9	16·2	12·9	13·8	11·6	21·3
	not Protected	6·7	5·4	4·4	7·0	7·6	8·1	9·8	41·9	17·8	15·1	26·7	29·8	32·8	41·8
Total of Iron or Steel	Protected	186·1	161·9	155·6	174·9	211·6	172·7	153·4	320·9	267·1	272·3	301·0	347·6	279·4	347·1
	not Protected	87·1	75·3	87·9	99·8	142·7	109·8	121·2	216·8	181·1	191·3	232·5	273·5	230·8	319·3
	Total ...	273·2	237·2	243·6	274·7	354·3	282·5	274·6	537·7	448·2	463·6	533·5	621·1	510·2	666·4

Imports of Electrical Instruments, Apparatus and Appliances

(Value in Lakhs of Rupees)

Name of Countries		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	...	115	122	130·5	162·4	175·0	170·4	187·0
Germany ...	...	33	34	25·2	32·0	37·8	42·7	54·5
Netherlands ...	...	13	11	11·5	13·0	13·1	5·8	8·9
Belgium ...	...	5	3	3·3	2·1	3·3	5·3	9·6
Italy	...	5	6	6·3	7·6	6·2	3·5	7·7
Japan	...	5	17	15·2	16·8	17·8	17·2	20·9
United States of America	...	30	27	23·9	30·6	38·3	36·1	34·4
Other Countries ...	...	17	17	15·0	16·8	17·3	22·6	23·7
TOTAL	...	2,23	2,34	2,30·9	281·3	308·3	303·6	346·7

Imports of Kerosene Oil

(Value in Lakhs of Rupees)

Name of Countries		1930-31	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Russia	...	...	1,64	1,50·2	1,47·6	144·4	117·6	69·2
Georgia ...	...	1,13	...	...	...	...	...	...
Roumania ...	...	...	...	28·1	7·0	2·9	1·8	0·3
Azerbaijan ...	...	72	...	...	...	...	...	...
Sumatra ...	..	...	...	10·9	41·5	16·1	53·2	89·0
Persia	...	95	39	2	36·1	45·7	19·2	41·1
Java	...	...	...	18·4	3·0	...	...	...
United States of America	...	1,28	18	13	6	3·0	1·6	7·4
Burma ...	...	...	...	...	...	...	...	633·3
Other Countries ...	...	25	33	3·7	19·9	4·8	2·5	...
TOTAL		4,33	2,54	2,26·8	2,60·6	216·9	195·9	762·2

Imports of Cement

Name of Countries		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	...	25	17	14·2	18·4	18·6	15·4	10·6
Germany ...	...	1	...	...	...	...	...	...
Japan ...	...	10	8	5·6	3·8	2·1	1 8	0·9
Other Countries ...	...	5	4	2·4	1·6	1·3	1·6	1·4
TOTAL		41	29	22·2	23·8	22·0	18·8	12·9

Imports of Motor Vehicles

(*Quantity in Numbers*) (*Value in Lakhs of Rupees*)

Name of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Motor Cars (including Taxi-Cabs)—															
United Kingdom	3,958	5,848	6,311	6,744	6,337	6,419	77	24	80	80	106	123	127	122	128
Unied States of America ...	1,201	2,227	5,564	3,851	3,870	4,880	21	46	166	29	36	93	74	76	95
Germany	146	106	120	335	818	2,097	...	...	...	2	2	2	7	16	36
France	84	62	26	13	...	...	5	2	7	2	1	1	...	...	...
Italy	226	221	267	210	382	281	...	2	9	5	5	4	3	5	4
Canada	296	1,715	2,057	2,328	1,290	1,612	...	...	35	6	26	33	38	21	28
Other Countries	290	80	89	109	247	408	10	1	15	5	1	1	2	8	7
TOTAL	6,201	9,759	14,434	13,590	12,939	15,697	1,13	75	8,12	129	177	257	251	243	298
Motor Cycles (including Scooters)—															
United Kingdom	699	612	675	554	491	484	10·3	5·1	18·5	3·3	3	3·4	2·8	2·4	2·6
United States of America ...	1	12	17			...	...	...	...	...	0·1	0·1			
Othe Countries	82	76	102	180	430	787	0·40	1·3	5·9	0·2	0·2	0·3	0·5	1·1	2·1
TOTAL ...	782	700	794	784	921	1,271	10·7	6·4	19·4	3·5	3·3	3·8	3·3	3·5	4·7
Motor Buses—															
United Kingdom	517	528	1,171	982	1,217	2,337	3·6	2·7	22 8	9·9	12·4	25·8	30·9	38·1	46·9
United States of America ...	1,793	3,692	6,559	5,051	6,012	10,035	0·7	2·7	29 7	24·7	36·4	67·5	54·5	67 9	122·5
Canada	338	1,243	2,058	2,335	1,719	2,197	..	...	6·2	5·8	16·4	25·6	30·8	28·2	26·9
Other Countries	28	33	185	102	2,12	508	1·4	1·0	10·9	0·6	0·6	2·3	3·7	6·9	10·5
TOTAL ...	2,676	5 496	9,973	8,470	9,160	15,077	5·7	6·4	69·6	41·0	65·8	119·6	119·9	181·1	206·8

Imports of Rubber Manufactures

(Quantity in Thousands)

Name of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Pneumatic Motor Covers								
United Kingdom ...	81	87	1,08	197	229	216	228	179
Germany	31	18	16	10	15	14	22	21
France	20	23	15	7	2	2	...	. .
Italy	28	30	32	10	4	...	...	...
Canada	55	24	12	22	12	2	1	...
United States of America	1,41	1,59	87	37	38	20	16	30
Other Countries ...	15	7	21	28	28	27	23	27
TOTAL ...	3,71	3,48	2,92	3,11	3,27	2,81	2,90	257
	(In Hundreds of Numbers)							
Pneumatic Motor Cycle covers								
United Kingdom ...	32	46	32	38	38	29	27	16
United States of America	3	7	5	2	2	3		
Other Countries ...	56	36	17	11	4		2	3
TOTAL ...	91	89	54	51	44	32	29	19
	(In Thousands of Numbers)							
Pneumatic cycle covers								
United Kingdom ...	6,29	9,56	7,74	11,17	1,325	1,063	301	
Germany	1,02	2,41	45	38	71			
France	1,83	1,72	86	97	9	761	679	
Other Countries ...	1,76	2,65	4,64	5,20	180			
TOTAL	10,90	16,34	13,69	17,72	15,85	1,824	980	
	(In Hundreds of Numbers)							
Solid Rubber Tyres for Motor Vehicles								
United Kingdom ...	23	18	18	24	34	22	16	13
Germany	5	7	2·9	5	5	4	3	4
United States of America	16	8	7·8	2	4	5	3	2
Other Countries ...	1	2	0·6	1	5	5	1	2
TOTAL ...	45	35	29·3	32	48	36	23	21

(Value in Lakhs of Rupees)

Name of Countries	1929-30	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Pneumatic Motor Covers								
United Kingdom ...	37·0	30·8	44·8	70·8	87·4	98·3	105·3	87·1
Germany	17·1	7·9	8·1	4·0	6·7	6·8	10·1	10·7
France	6·5	7·5	6·1	3·0	0·8	1·1	0·1	0·1
Italy	13·4	12·5	13·8	3·8	1·3	0·2		...
Canada	20·3	7·6	4·8	6·8	4 1	0·6	0·5	...
United States of America	68·9	66·1	40·4	16·4	14·5	9·9	7·5	14·5
Other Countries ...	4·8	2·4	7·7	8·7	9·7	8·8	8·6	10·5
TOTAL ...	168·0	134·8	125·7	113·3	121·4	126·2	132·1	122·9
	(In Thousands of Rupees)							
Pneumatic Motor Cycle covers								
United Kingdom ...	47·2	61·4	51·4	63	45	38	35	19
United States of America	5·0	8·8	7·6	2	2	3		
Other Countries ...	50·0	36·0	21·8	13	4		2	3
TOTAL ...	102·2	106·2	80·8	78	51	41	37	22
	(In Lakhs of Rupees)							
Pneumatic cycle covers								
United Kingdom ...	10·4	14·6	11·8	14·8	17·1	16·0	18·0	4·6
Germany	1·5	3·3	0·7	·4	0·9			
France	3·4	2·9	1·4	1·2	0·1	7·2	5·2	7·0
Other Countries ...	2·8	3·9	4·9	5	1·6			
TOTAL	18·1	24·7	18·8	21·4	19·7	23·2	23·2	11·6
	(In Thousands of Rupees)							
Solid Rubber Tyres for Motor Vehicles								
United Kingdom ...	224·5	169·4	183·4	237	242	148	140	137
Germany	63·9	85·5	33·2	57	56	57	29	54
United States of America	164·7	98·2	91·2	36	42	58	42	80
Other Countries ...	11·1	22·9	6·4	6	41	23	3	10
TOTAL ...	464·2	376·0	314·2	336	381	286	220	231

Imports of Metals and Metal Manufactures

(Value in Lakhs of Rupees)

Copper (excluding Ore)

Names of Countries	Post-War Average 1909-20 to 23-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	1,14	28	40	61	34	22	47
Japan	8	...	9	19	14	16	7
France	4	1	...	1	...	...	...
Germany	20	67	32	30	42	25	37
Belgium	5	4	1	1	1	1	...
Other Countries ...	44	15	14	28	25	17	49
TOTAL ...	1,92	1,14	87	140	116	81	140

Hardware (excluding Cutlery and Electroplated Ware)

	Post-War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	3,12	91	98	98	104	99	118
Sweden	13	15	16	17	19	15	18
Germany	59	1,08	86	95	108	94	113
Austria	5	5	4	4	3	3	4
Japan	46	30	35	32	36	34	30
United States of America ...	1,22	17	23	30	31	26	26
Other Countries ...	22	33	27	29	26	18	27
TOTAL ...	5,79	2,99	2,88	3,05	327	289	3,31

Cutlery

	Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	10·5	6·5	7·8	8·4	8·7	9·2	9·6
Germany	7·9	14·3	13·7	14·7	16·3	15·9	17·2
Other Countries	3·3	3·5	4·0	4·9	4·7	3·5	3·8
TOTAL ...	21·7	24·3	25·5	28·0	28·7	28·6	30·6

Imports of Salt

	Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	27	4	1	1	1	...	.
Germany	17	10	8	10	14	18	6·6
Spain	24	4	...	...	...	.	...
Aden and Dependencies ...	53	40	37	38	40	45	48·2
Egypt	35	6	1	2	...	1	...
Italian East Africa ...	15	14	...	..	...	...	...
Other Countries .. .	4	1	3	1	1...	1	0·9
TOTAL ...	1,75	79	50	52	56	60	55·7

Imports of Boots and Shoes

(*Quantity in Thousands of Pairs*) (*Value in Lakhs of Rupees*)

Name of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	207	129	145	142	120	98	51·0	6·2	5·8	6·1	6·2	5·3	4·3
Germany	93	46	7	...	...	...	...	1·1	1	0·3	...	...	...
Austria	2	...	2	..	...	...	2·5	0·2	0·2	0·2	..	...	...
Czechoslo akia .	268	377	234	351	336	626	...	4·6	5·9	7·1	8·0	8·2	14·9
Japan	6,392	6,620	3,620	2,377	1,206	371	0·2	31·6	32·4	19·8	13·7	7·1	2·8
United States of America	2	1	2	...	...	...	0·5	0·1	...	...	...	.	...
Canada	...	2	1	.	...	...	...	...	...	...	...	...	...
Other Countries ...	418	139	196	36	31	88	2·5	8·0	2·3	1·3	1·0	0·6	0·9
TOTAL ...	7,882	7,313	4,256	2,906	1,693	1,183	56·7	51·8	47·5	34·8	28·9	21·2	22·4
Total of U. K. and Canada	207	131	146	142	120		...	6·2	5·8	6·1	6·2	5·3	4·3
Percentage of U. K. and Canada in Total ...	2·6	1·8	3·4	4·9	7·1	8·3	27·2	12·0	12·2	17·5	21·4	25·0	19·1

Imports of Cotton Raw

(*Quantity in Hundreds of Tons*) (*In Lakhs of Rupees*)

	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	6·1	...	14	...	...	...	58·7	4·6	...	12·0	0·2	0·4	...
Persia	8·8	9	7	...	...	...	...	4·5	4·3	4·2	0·3	...	...
Egypt	91·4	61·0	169	155	185	283	4·5	77·9	53·3	154·8	140·9	184·0	283·4
Kenya Colony ...	206·9	242·0	327	366	359	479	0·1	177·7	202·3	276·6	312·8	306·2	423·7
Tanganyika Territory	9·4	26·0	24	47	41	75	...	8·1	23·0	22·1	39·9	34·9	66·8
Anglo-Egyptian Sudan	64·5	9·0	34	50	41	188	...	66·2	7·2	29·4	48·4	41·8	195·1
United States of America	457·9	81·0	16	105	9	292	27·7	384·6	64·0	16·0	91·6	8·2	221·3
Other Countries ...	2·6	2·0	15	48	14	29	11·2	2·1	1·6	19·5	30·4	9·2	23·0
TOTAL	847·6	429·9	606	766	650	1344	102·2	725·7	355·7	528·4	674·5	584·7	1218·3

Imports of Silk—Raw and Manufactured.

(*Value in Lakhs of Rupees.*) (*Quantity in Thousands of lbs.*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	War Average	1933-34	1934-35	1935-36	1935-36	1936-37	1937-38
Raw Silk—																
China (including Hong-kong)	1,07·1	99·8	...	1,10·2	64	33	13·8	26·4	31·1	...	2,930	2,101	1,299	491	815	929
Japan	1·1	...		4·7	7	21	42·4	36·3	57·2	...	165	220	897	1,625	1,074	1405
Other Countries ...	9·1	10·2	9·1	2·1	1	...	1·5	1·7	6·3	...	92	58	21	75	85	201
TOTAL ...	1,17·3	1,10·0	1,49·9	1,17·1	72	57	57·7	64·4	94·7	2,567	3,187	2,379	2,217	2,191	1,974	2,535
Silk Yarn, etc.—																
United Kingdom ...	4·3	4·0	1·9	6·6	4·3	9·5	6·6	0·9	0·5	...	260	268	587·0	389	54	19
Switzerland ...	0·6	0·3	0·3	3·1	...	...	...	...	...	...	96	...	3·5	...	...	...
Italy	14·2	3·6	14·6	23·6	5·1	7·6	7·1	5·6	6·6	...	862	249	347·7	284	239	289
China (including Hong-kong)	2·8	5·1	9·9	11·2	14·6	12·8	12·4	10·4	5-5	...	418	615	492·0	480	461	204
Japan	17·4	29·1	30·3	40·4	21·8	47·6	56·5	43·9	47·8	...	1,187	814	1834·7	2,377	1,657	1791
Other Countries ...	1·9	0·1	1·3	3·5	·9	0·6	1·3	0·8	0·9	...	187	82	28·1	99	33	35
TOTAL ...	41·2	42·2	58·3	88·4	46·7	78·2	84·0	60·7	61·2	1,011	3,010	2,028	3293·0	3,628	2,444	2337
											(*In Thousand Yards.*)					
Silk Piece-goods—																
United Kingdom ...	3·9	4·1	5·2	0·9	0·7	0·6	0·2	...	...	...	92·0	48	86·7	...	...	
France	8·9	3·7	2·6	0·4	...	...	..	...	...	...	8·1	...	...	...	...	
China (including Hong-kong)	53·5	73·9	135·0	44·8	32·1	21·1	15·9	12·00	11·8	...	7,941·5	6,656	5,090·3	3,808·0	8260·2	8005·5
Japan	113·6	1,17·9	177·6	183·0	147·4	100·9	71·8	62·9	73·1	...	26,768·1	34,269	27,796·5	21,717·8	16171·6	18718·4
Other Countries ...	2·4	1·9	4·2	1·8	·2	2·6	5·6	6·3	5·0	...	148·2	150	366·2	1,904·2	2180·9	1147·5
TOTAL ...	1,82·3	2,01·5	3,24·6	180·9	182·2	125·2	90·4	80·6	89·9	19,724·2	34,957·9	41,123	33,339·7	27,430·1	21562·7	22871·4

Imports of Wool and Woollens

(Value in Lakhs of Rupees)

Wool Raw—		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	...	9	18	14	18	13	21	27
Persia ..	...	5	3	2	1	1	...	...
Australia ...	...	15	18	18	21	27	35	50
Other Countries	...	2	3	...	1	3	4	8
	Total	31	42	34	41	44	60	85

Carpets and Floor Rugs—		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	..	2·0	1·8	1·5	2·4	3·1	3·0	2·0
Persia ...	...	2·1	0·8	0·2	0·1	0·1		
Other Countries	..	1·1	1·5	0·6	0·9	0·7	1·1	2·0
	Total	5·2	4·1	2·3	3·4	3·9	4·1	4·0

Piecegoods—		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	...	24·8	52·5	57·4	46·5	43·6	41·5	40·9
Germany ...	...	4·2	8·8	6·5	7·6	3·7	5·6	5·4
Netherlands ...	...	2·4	1·6	0·9	0·7	...	...	...
Belgium ...	...	1·5	5·9	4·6	0·5	0·2	0·3	...
France ...	...	16·1	34·3	17·4	4·2	0·1	...	...
Italy ...	...	15·1	42·1	22·6	3·5	1·5	1·3	7·9
Japan ...	...	0·7	7·8	15·5	73·1	30·1	34·4	56·7
Other Countries	..	3·9	8·2	5·4	3·7	1·8	1·4	1·6
	Total	68·9	1,61·2	1,30·3	139·8	81·1	84·3	112·5

Woollen Shawls—		Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom	...	...	0·4	0·2	...	..	...	...
Germany ...	...	...	7·9	7·5	6·7	5·8	7·8	11·6
Other Countries	..	...	2·6	1·7	5·3	5·7	5·1	6·7
	Total	41·5	10·8	9·5	12·0	11·5	12·9	18·3
Hosiery ...	...	12·0	6·9	8·8	12·3	17·5	14·5	14·0
Other sorts of Manufactures		32·1	71·5	69·9	178·0	120·5	111·1	181·1
Total of Wool & Woollens		8,24·6	2,96·5	2,54·9	386·5	278·5	286·9	414·9

Imports of Artificial Silk Manufactures.

(Value in Lakhs of Rupees)

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Piecegoods of Cotton and Artificial Silk—								
United Kingdom ...	12·7	9·6	17·1	14·1	...	..	...	..
Germany ...	3·9	4·9	7·8	2·1	...	...	...	.
Switzerland ..	15·8	7·6	4·4	11·1	...	...	...	...
Italy ...	19·6	16·0	21·8	16·3	...	...	...	..
Austria ...	2·8	1·6	3·0	3·7	...	...	...	...
Japan ...	150·4	208·6	252·4	124·2	...	...	...	...
Other Countries ...	6·9	3·5	3·7	2·4	...	...	...	...
TOTAL ...	211·6	251·8	310·2	173·9	...	...	...	...
Other Artificial Silk Manufactures—								
United Kingdom	14·2	13·3	15·1	19·8	24·3	14·5	10·6	14·7
Germany	5·3	4·0	3·9	...	1·7	1·4	2·4	3·5
Netherlands ...	8·7	10·1	7·1	...	...	...	...	...
France	1·4	7·3	3·3	4·2	1·5	0·6	...	...
Switzerland ...	0·9	2·8	0·7	...	...	..	...	...
Italy	50·6	41·3	47·8	37·6	54·3	...	...	20·4
United States of America ...	0·8	1·8	2·2	...	...	...	...	...
Japan	3·8	6·2	16·0	134·6	267·9	260·7	350·9	434·5
Other Countries	4·4	5·7	9·6	78·0	9·6	38·6	11·7	14·3
TOTAL ...	90·1	92·5	105·7	274·2	359·3	315·8	375·6	487·4

Imports of Tea (Black and Green)

(Value in Thousands of Rupees)

Names of Countries	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Ceylon	7,10	18,09	11,88	5,02	3,49	3,79	2,61	2,86
Straits Settlements ...	...	56	53	18	10	9	...	...
Java	81	4,50	1,00	1	...	...	...	...
China (including Hongkong) ...	10,17	19,10	18,60	16,29	8,88	15,96	8,54	8,65
Other Countries ...	3,68	1,32	2,67	3,42	4,70	5,18	7,01	6,98
TOTAL ..	22,29	43,57	34,63	25,13	17,12	24,97	19,18	18,49

Imports of Food, Drink and Tobacco

(Quantity in Thousands of Tons.) *(Value in Thousands of Rupees.)*

Names of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Fruits and Vegetables, Dried, Salted, etc.—															
France	0·5	0·3	0·2	0·3	0·5	0.2	...	9,00	2,49	1,60	1,17	1,40	...	..	...
Italy	1·8	1·7	1·6	1·5	1·5	1·7	1·3	8,50	6,83	6,94	8,63	6,84	7,83	13,05	7,92
Maskat Territory and Trucial Oman	8·3	7·1	7·9	9·0	9·0	8·0	9·6	18,80	16,54	13,00	10,96	11,16	10,57	9,28	1,218
Iraq	41·5	37·4	26·0	47·1	50·7	51·7	54·1	...	40,49	32,76	20,50	36,59	35.58	39,90	3,856
Persia	5·6	3·2	3·3	4·1	4 9	2·4	2·4	18,70	16,83	9,50	6,56	8,99	9,18	3,59	3,56
Portugese East Africa ...	...	...	12·1	12·7	14·5	15·7	14·0	...	...	...	...	...	18,71	20,42	1,834
Other Countries ...	12·9	10·9	6·3	9·6	8·6	10·0	11·4	52,72	24,66	20,59	21,06	41,72	20,42	27,82	2,895
TOTAL	70·5	60·6	57·4	84·3	89·7	89·7	92·8	1.07,72	1,07,84	84,39	71,88	97,71	102,29	1,15,06	109,51

(Quantity in Thousands of Gallons.) *(Value in Lakhs of Rupees)*

Names of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Ale, Beer and Porter—															
United Kingdom ...	2,473	2,447	2,184	2,250	2,209	2,131	2,006	45·6	48·8	49·7	45·2	45·4	47·1	45·8	43·0
Germany ...	555	508	376	365	450	437	423	...	14·8	14·3	10·6	9·8	11·7	11·3	11·5
Netherlands	342	282	308	411	492	544	618	...	6·5	6·0	6·5	8·7	10·6	11,5	12·5
Japan	260	416	526	488	599	618	540	...	3·8	4·4	1·5	5·2	6·1	6·9	6·0
Other Countries ...	95	65	62	79	117	112	95	13·83	2·2	1·6	1·5	1·9	2·5	2 4	2·2
TOTAL	3'725	3,718	3,456	3,593	3,867	3,812	3,682	59·43	76·1	76·0	68·8	71·0	78·0	77·9	75·2

(Quantity in Thousands of Gallons) *(Value in Lakhs of Rupees.)*

Names of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Spirit—															
United Kingdom ..	463	476	493	503	522	500	472	69	83	84	89·4	92·2	96·6	93·1	88·4
Germany ...	10	11	12	14	14	12	14	...	3	2	3·4	3.9	3·8	3·4	3·9
France	157	122	128	134	144	136	132	...	22	21	22·2	24·2	25·3	24·6	23·5
Java	1,069	857	521	411	299	331	379	3	10	8	7·0	5·5	3·3	2·7	3·2
United States of America	46	48	45	46	53	52	51	5	14	16	14·0	13·3	15·7	14·5	14·9
Other Countries ...	19	11	14	21	19	21	17	38	3	2	2·6	4·6	3·3	3·2	2·8
TOTAL ..	1,770	1,775	1.213	1,129	1,051	1052	1,065	1,15	135	1,33	138·6	143·7	148·0	141·5	136·7
Wines	165	166	177	178	188	158	154	28	15	16	19·2	20·3	20·9	19·5	17·8
TOTAL OF LIQUORS ...	5.660	5.415	4,856	4,912	5,121	5,069	4,917	2,12,43	2,26·1	2,25·0	2,26·6	235·6	247·	239·6	238·3

Imports of Food, Drink and Tobacco—(*Contd.*)

(In Lakhs of Rupees)

Names of Countries	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1931-32
Provisions, etc.—							
United Kingdom ...	1,34	1,40	1,51	161	178	179	150
Netherlands	9	35	24	25	25	29	19
Straits Settlements (incl. Labuan)	24	20	20	25	27	28	24
China (incl. Hongkong) ...	4	8	9	11	10	11	...
United States of America...	4	19	14	15	18	17	19
Australia	3	18	16	12	12	14	18
Other Countries ...	51	53	38	40	42	42	35
TOTAL ...	2,29	2,93	2,72	289	312	320	260

(In Thousands of Rupees)

Names of Countries	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1931-32
Tobacco—							
Unmanufactured ...	...	62,27	47,27	33,56	27,85	44,77	44,78
Cigars	...	85	74	61	70	61	197
Cigarettes :							
United Kingdom ...	...	26,31	16,62	20,64	26,63	30,15	32,60
China (incl. Hongkong) ...	...	1,04	34	32	..	...	...
Egypt	4,69	32	32	28	...	...	.
United States of America ...	...	50	52	64	75	...	...
Other Countries ...	...	78	1,26	33	72	1,45	1,77
Total of Cigarettes ...	52,74	28,95	19,06	22,21	28,10	31,60	34,37
Tobacco for Pipes & Cigarettes	...	3,06	3,00	3,91	3,20	2,36	2,81
Other Sorts	18,33	1,80	2,08	1,53	1,71	1,48	1,55
TOTAL ...	71,07	96,94	72,15	61,82	61,56	80,83	85,48

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1929-30 to 1937-38.

(In Lakhs of Rupees.)

Names of Countries	Pre-War Average (1909-14)			War Average (1914-19)			Post-War Average (1919-24)			1929-30		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	56,80	91,58	−35,28	69,62	83,56	−13,94	73,04	1,46,43	−73,39	69,59	1,03,10	−33,51
Ceylon	8,24	72	+7,52	9,63	1,66	+7,97	12,32	1,71	+10,61	13,22	1,80	+11,42
Straits Settlements	7,73	3,08	+4,65	6,23	4,37	+1,86	8,20	4,85	+3,35	8,02	6,17	−1,85
Australia	3,14	1,01	+2,13	5,03	1,11	+3,92	4,99	3,19	+1,80	5,80	5,54	+26
Hongkong	9,26	93	+8,28	4,48	1,30	+3,18	6,93	1,86	+5,07	2,04	74	+2,30
Canada	1,09	1	+1,08	1,79	4	+1,75	1,83	69	+1,14	2,41	1,91	+50
Aden and Dependencies ...	1,25	41	+84	2,15	77	+1,38	2,79	80	+1,99	1,43	57	+86
Kenya Colony, Zanzibar and Pemba	89	36	+53	1,32	1,15	+17	2,14	1,99	+15	1,72	3,44	−1,72
Other Countries of the British Empire	4,16	3,39	+77	15,53	2,68	+12,85	12,88	4,02	+8,86	9,38	1,19	+8,19
Total British Empire ...	92,06	1,01,54	−9,48	1,15,78	96,64	+19,14	1,25,12	1,65,54	−40,42	1,14,61	1,24,46	−9,85
Percentage of Total Trade...	41·1	69·6	...	51·6	65·4	.	41·4	65·2	...	36·0	51·7	...
Foreign Countries—												
United States of America ...	16,90	4,49	+12,41	26,75	10,29	+16,46	36,26	21·64	+14,62	37,03	17,66	+19,37
Japan	16,86	3,64	+13,22	25,20	15,41	+9,79	40,31	17,48	+22,83	32,56	23,59	+8,97
China	8,74	1,58	+7,16	4,56	1,93	−2,63	10,98	3,14	+7,84	13,06	4,10	+8,96
Java and Borneo	2,91	9,35	−6,44	2,55	11,56	+9,01	3,18	17,18	−14,09	4,27	13,67	−9,40
Argentine Republic	2,27	...	+2,27	2,61	...	+2,61	4,21	...	+4,21	7,10	8	+7,02
France	14,82	2,21	+12,61	10,02	1,85	+8,17	14,37	2,37	+12,00	16,94	4,57	+12,37
Italy	7,08	1,45	+5,63	8,77	1,73	+7,04	9,63	2,47	+7,16	11,47	6,73	+4,74
Spain	1,99	17	+1,82	1,60	36	+1,24	2,80	30	+2,50	3,61	30	+3,31
Russia	1,94	22	+1,72	2,74	10	+2,64	...	12	—12	40	46	−6
Netherlands	3,34	1,27	+2,07	40	86	−46	3,16	2,18	+98	8,90	4,23	+4,67
Belgium	11,97	2,76	+9,21	1,10	38	+72	11,25	4,64	+6,61	12,21	6,79	+5,42
Germany	22,36	9,35	+13,01	2,04	1,04	+1,00	14,86	7,16	+7,70	26,49	15,79	+10,70
Austria	7,77	3,19	+4,58	94	27	+67	73	42	+31	5	1,23	−1,18
Other Countries	1,311	4,53	+8,58	19,05	6,28	+1,277	25,12	9,41	+1,571	29,23	17,14	+12,09
Total Foreign Countries ...	1,32,06	44,31	+87,75	1,08,33	51,16	+57,17	1,76,86	88,51	+88,35	2,03,32	1,16,34	+86,98
GRAND TOTAL	2,24,12	1,45,85	+78,27	2,24,11	1,47,80	+76,31	3,01,98	2,54,05	+47,98	3,17,93	2,40,80	+77,13

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1929-30 to 1937-38—(*contd.*)

(*In Lakhs of Rupees.*)

Names of Countries	1930-31 Exports	1930-31 Imports	1930-31 Balance of trade	1931-32 Exports	1931-32 Imports	1931-32 Balance of trade	1932-33 Exports	1932-33 Imports	1932-33 Balance of trade	1933-34 Exports	1933-34 Imports	1933-34 Balance of trade
British Empire—												
United Kingdom	54,23	61,29	−7,06	53,46	44,76	−1,30	37,55	48,77	−11,22	47,20	47,59	−39
Ceylon	11,38	1,43	+9,95	7,65	1,39	+6,26	6,57	1,78	+4,79	5,91	1,29	+4,62
Straits Settlements	6,31	3,97	+2,34	4,70	2,87	+1,83	265	2.79	+86	3,26	2,68	+58
Australia	4,49	2,42	+2,07	2,95	1,58	+1,37	3,88	1,07	+2,81	2,98	1,02	+1,96
Hongkong	1,67	87	+80	1,81	52	+1,29	1,89	1	+1,38	1,08	45	+63
Canada	1,72	1,33	+39	1,47	42	+1,05	1,62	34	+1,28	1,88	69	+1,19
Aden and Dependencies ...	1,31	33	+98	77	53	+24	62	43	+19	65	49	+16
Kenya Colony, Zanzibar and Pemba	1,16	3,36	−2,20	77	3,68	−2,01	64	2,22	−1,58			
Other Countries of the British Empire	7,18	1,02	+6,16	5,14	87	+4,27	4,54	1,95	+2,59	37	2,48	−1,76
Total British Empire ...	89,45	76.02	+13,43	68,72	56,62	+13,10	60,46	59,36	+1,10	4,81	1,00	+3,45
Percentage of Total Trade ...	39·6	46·1	...	44·1	44·8	...	...	...	...	68,14	57,70	+10,44
Foreign Countries—												
United States of America ...	21,14	15,12	+6,02	13,87	12,85	+1,02	9,76	11,25	+1,49	14,07	7,18	+6,89
Japan	23.87	14.51	+9,33	13,95	13,34	−61	13,95	20,50	+6,55	12,61	16,36	−3,75
China	13,27	3,33	+9,94	7,79	2,76	+5,03	3,55	2,95	+60	4,45	2,23	+2,22
Java and Borneo	2,63	10.34	−7,71	1,74	4,86	−3,12	73	4,17	−3,44	48	2,71	−2,23
Argentine Republic	3,63	..	+3,63	2,93	...	+2,39	3,64	...	+3,64	...	...	...
France	11,17	2.89	+8,28	7,43	2,17	+5,81	7,35	2,03	+5,32	7,37	1,51	+5,86
Italy	7,93	4,51	+3,42	5,40	3,61	+2,79	4,65	3,95	+70	5,75	2,91	+2,84
Spain	2,37	30	+2,07	1,34	20	+1,14	1,37	25	+1,12	1,41	21	+1,20
Russia	53	1,04	−51	53	95	−42	34	36	−2	8	1,64	−1,56
Netherlands	6,67	3,22	+3,45	4,66	2,04	+2,62	3,21	1,69	+1,52	4,21	1,82	+2,39
Belgium	7,57	4,67	+2.90	4,24	3,02	+1,22	3,93	3,42	+2,37	4,48	2,67	+1,82
Germany	14,26	12,38	+1,88	10,19	10.21	+2	8,00	10,37	−64	9,84	888	+96
Austria	...	32	−82	...	71	−71	...	64	−71	...	52	−52
Other Countries ...	21,15	15,67	+5,48	13,59	13,00	+59	11,49	10,64	−85	13,42	9,02	+4,40
Total Foreign Countries ...	1,36,19	88,80	+47,39	87,17	69,72	+17,45	71,97	73,22	−1,25	78,17	57,65	+20,52
GRAND TOTAL	2,25,64	1,64.82	+60,82	1,55,89	1,26,84	+29,55	1,32,43	1,32,58	−15	1,46,31	1,15,39	+30,98

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries for Pre-War, War and Post-War years and for years 1927-28 to 1937-38.—(*concld.*)

(*In Lakhs of Rupees*)

Names of Countries	1934-35 Exports	1934-35 Imports	1934-35 Balance of trade	1935-36 Exports	1935-36 Imports	1935-36 Balance of trade	1936-37 Exports	1936-37 Imports	1936-37 Balance of trade	1937-38 Exports	1937-38 Imports	1937-38 Balance of trade
British Empire—												
United Kingdom	47,92	53,73	—5,81	50,48	52,19	−1,71	63,49	48,07	+15,42	59,62	51,82	+7,80
Ceylon	6,37	1,29	+5,08	7,12	1,49	+5,63	7,32	1,76	+5,56	5,28	1,71	+3,57
Straits Settlements	3,23	3,11	+12	3,66	3,66	...	4,29	3,83	+46	2,51	3,72	−1,21
Australia	2,71	97	+1,74	2,87	1,19	+1,68	3,22	1,12	+2,10	3,13	1,68	+1,45
Hongkong	57	39	+18	50	42	+8	62	53	+9	81	25	+56
Canada	1,72	92	+80	1,72	94	+78	2,18	72	+1,46	2,31	1,02	+1,29
Aden and Dependencies ...	64	42	+22	71	43	+28	84	48	+36	95	54	+41
Kenya Colony, Zanzibar and Pemba	51	320	−2,69	58	3,50	−2,92	64	3,47	−2,83	60	4,47	−3,87
Other Countries of the British Empire	5,20	1,32	+318	6,32	1,69	+4,63	6,86	1,69	+5,17	16,68	29,82	−13,14
Total British Empire	68,87	65,35	+352	73,96	65,51	+8,45	89,46	61,67	+27,79	91,89	95,03	−3,14
Foreign Countries—												
United States of America ...	12,89	8,41	+4,48	16,12	8,94	+7,18	18,50	8,16	+10.34	48,24	12,90	+5,34
Japan	24,59	20,80	+3,79	21,89	21,84	+5	30,07	21,27	+8.80	18,13	22,23	−4,10
China	2,62	2,07	+55	1,88	1,85	+3	1,25	1,39	—14	1,96	97	+99
Java and Borneo	51	2,21	−170	49	2,06	−1,57	80	67	+13	1,05	75	+30
Argentine Republic	...	...	...	...	...	...	..	...	...	..	...	...
France	5,29	1,53	+3,76	7,15	1,30	+5,85	8,19	1,14	+7,05	5,20	1,37	+3,83
Italy	5,84	3,02	+2,82	3,52	2,00	+1,52	5,09	1,21	+3,88	4,88	2,57	+2,31
Spain	1,38	24	+1,14	1,78	22	+1 56	67	18	+49	7	16	−9
Russia	8	1,57	−1,49	35	1,61	−1,26	56	54	—2	61	50	+8
Netherlands	3,33	1,30	+2,03	3,71	1,34	+2,37	5,64	1,33	+4,31	2,77	1,48	+1,29
Belgium	4,39	2,16	+2,23	5,52	2,44	+3,08	7,62	2,81	+4,81	5,59	3,27	+2,32
Germany	7,17	10,10	−2,93	9,50	12,34	−2,84	10,03	12,13	—2,10	9,67	15,32	−5,65
Austria	1	33	−32	4	43	−39	3	38	—35	5	75	−70
Other Countries	14,70	13,00	+1,70	14,61	12,49	+2,72	18,21	12.36	+5,85	24,78	16,12	+4,69
Total Foreign Countries ...	82,80	66,94	+15,86	86,56	68,86	+17,70	106,66	63,57	+43,09	89,03	78,41	+10,62
GRAND TOTAL	1,51,67	1,32,29	+19,38	1,60,52	1,34,37	+26,15	196,12	1,25,24	+70,88	180,92	173,45	+7,47

N.B.—In this Table the figures of re-exports are not taken into account.

Percentage share of the Prinicipal Countries in the Export and Import Trade of British India in Merchandise only.

Countries	Pre-War Average		War-Average		Post-War Average		1935-36		1936-37		1937-38	
	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports* Including Re-exports
British Empire—												
United Kingdom	62·8	25·1	56·5	31·1	57·6	24·2	38·8	31·5	38·4	32·1	29·9	33·0
Ceylon	0·5	8·7	1·1	4·3	0·7	4·8	1·1	4·5	1·4	3·8	1·0	2·9
Straits Settlements	2·1	3·4	3·0	2·7	1·9	2·6	2·7	2·3	3·1	2·2	2·2	1·4
Australia	0·7	1·4	0·8	2·2	1·3	1·7	0·9	1·7	0·9	1 6	1·0	1·8
Hongkong	0·7	4·1	0·9	2·0	0·7	2·3	0·3	0·3	0·4	0·3	...	0·4
Mauritius and Dependencies ...	1·8	0·6	1·1	0·6	2·2	3·1	...	0·5	...	0·4	...	0·3
Other British Possessions ...	1·1	2·8	2·0	8·8	0·8	2·7	4·9	5·6	5·0	5·9	20·7	11·0
TOTAL ...	69·7	41·1	65·4	51·7	65·2	41·4	48·7	46·4	49·2	46·3	54·8	50·8
Foreign Countries—												
Japan	2·5	7·5	10·4	11·2	6·9	13·3	16 3	13·4	17·0	15·0	12·8	10·0
United States of America ...	3·1	7·5	7·0	11·6	8·5	12·0	6·7	10·1	6·5	9·5	7·4	10·1
Java	6·4	1·3	7·8	1·1	6·8	1·0	1·3	0·3	0·3	0·4	0·2	0·6
France	1·5	6·6	1·3	4·5	0·9	4·8	1·0	4·4	0·9	4·0	0·8	2·9
Italy	1·0	3·2	1·2	3·9	1·0	3·2	1·5	2·2	1·0	2·4	1·5	2·7
China (Exclusive of Hongkong and Macao) ...	1·1	3·9	1·3	2·0	1·2	3·6	1·4	1·1	1·1	0·6	0·6	1·1
Iran	0·4	0·5	0·6	1·6	0·7	1·3	1·7	0·3	1·7	0·7	1·6	0·4
Union of Socialist Soviet Republic	0·1	0·9	0·1	1·2	0·1	—	1·2	0·2	1·0	0·2	0·4	0·3
Netherlands	0·9	1·5	0·6	0·2	0·9	1·5	1 0	2·3	1·1	2·2	0·9	1·5
Belgium	1·9	5·3	0·3	0·5	1·8	3·7	1·8	3·4	2·2	3·6	1·0	3·1
Germany	6·4	9·8	0·7	0·9	2·8	4·9	9·2	5·8	9·7	4·7	8·8	5·3
Austria (a)	2·2	3·5	0·2	0·4	0·2	0·2	0·3	—	0·3	...	0·4	...
Total including other Foreign Countries ..	30·3	58·9	34·6	48·3	34·8	58·6	51·3	53·6	50·8	53·7	8·8	11·2
GRAND TOTAL ...	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100

(a) Figures prior to 1921-22 represent Austria-Hungary.

* Does not include Re-exports and as such is not strictly comparable with previous figures.

Index numbers of wholesale Prices of some principal Countries

(Adapted from League of Nations' Bulletin)

Country / Basis / Year and Date	India (Calcutta) (1929=100)	United Kingdom (1929=100)	United States of America (1929=100)	Japan (1929=100)	France (1929=100)	Germany (1929=100)
1926	105.0	112.6	104.9	107.7	110.8	98.0
1927	105.0	108.2	100.1	102.2	102.4	100.3
1928	102.8	106.2	101.5	102.8	102.9	102.0
1929	100.0	100.0	100.0	100.0	100.0	100.0
1930	82.3	84.0	90.7	82.4	88.4	90.8
1931	68.1	70.2	76.6	69.6	80.0	80.8
1932	64.5	67.7	68.0	73.3	68.2	70.3
1933	61.7	68.2	69.3	81.6	63.6	68.0
1934	63.1	71.0	78.7	80.8	60.0	71.7
1935	64.5	74.1	83.9	84.4	54.0	74.2
1936	64.5	78.6	84.8	89.9	65.5	74.9
1937	72.8	89.3	90.6	108.4	92.7	77.2
1937						
January	58.6	87.7	90.1	106.1	85.8	76.9
February	60.6	89.1	90.6	104.8	87.7	76.3
March	62.0	94.4	92.1	109.1	88.0	77.1
April	63.4	92.7	92.3	112.8	87.7	77.2
May	62.7	93.3	91.7	109.8	88.8	77.3
June	62.0	91.2	91.5	108.4	92.8	77.6
July	62.7	91.7	92.2	108.7	96.2	77.8
August	62.7	90.0	91.8	107.0	100.5	77.4
September ...	62.1	88.8	91.7	108.5	100.2	77.2
October	60.7	86.3	89.6	107.6	99.0	76.1
November	58.1	83.3	87.4	108.1	100.6	76.9
December	58.1	83.5	85.7	109.7	101.4	77.0
1938						
January	58.1	83.5	84.9	111.6	1 0.6	77.0
February	...	81.7	...	113.4	...	...
March	...	80.2	...	...	...	...

(*a*) Monthly average (*e*) Last week on end of month

Cost of living Index Numbers for India and Foreign Countries.

(Base 1929=100)

Name of Country		India (Bombay)	United Kingdom	United States of America	France (Paris)	Germany	Japan (Tokio)
Composition Base Period		A-D 1929	A-E 1929	A-E 1929	A-E 1929	A-E 1929	A-C, E 1929
1926 ...	...	104·0	104·9	103·0	90·8	92·3	109·7
1927 ...	...	103·4	102·4	101.8	92·4	96·1	103·9
1928 ...	...	98·7	101·2	99·0	93·3	98·5	101·5
1929 ...	...	100·0	100·0	100·0	100·0	100·0	100·0
1930 ...	...	91·9	96·3	96·6	104·5	96·2	85·5
1931 ...	...	73·8	89·6	87·1	102·3	88·4	74·7
1932 ...	...	73·2	87·8	77·8	94·6	78·3	75·4
1933 .	...	68·5	85·4	74·8	93·5	76·6	80·3
1934 ...	...	65·1	86·0	79·3	92·8	78·6	82·0
1935 ...	...	67·8	87·2	82·5	86·9	80·0	83·6
1936 ...	...	68·5	89·6	84·7	91·1	80·8	87·8
1937 ...	...	10·6	94·5	88·4	111·3	81·2	96·1
April	1937* ...	105	92·7	88·2		81·2	94·8
May	,, ...	105	92·7	88·7	109·0	81·2	94·8
June	,, ...	105	94·5	88·8		81·4	94·5
July	,, ...	107	94·5	88·8		82·0	95·0
August	,, ...	108	94·5	88·9	113·3	81·8	95·9
September	,, ...	108	96·3	89·5		81·2	97·9
October	,, ...	108	97·6	89·9		81·0	98·8
November	,, ...	107	97·6	88·4	118·3	81·0	99·2
December	,, ...	107	97·0	88·5		81·0	100·6
January	1938* ...	107	95·7	87·4		81·1	101·8
February	,, ...	...	[illegible]·1	86·6	...	81·3	105·0
March	,, ...	...	...	...		...	...

Composition of the cost of living indices: A, foodstuffs ; B, heating and lighting C, clothing ; D, rent ; E, miscellaneous and other expenses.

* Base July 1933 to June 1934=100

Tonnage of vessels engaged in the foreign sea-borne trade of British India

(In Thousands of tons)

Nationality	1928-29		1929-30		1930-31		1931-32		1932-33	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British	6,605	6,521	6,433	6,553	5,852	5,651	5,593	5,338	5,349	5,225
British Indian	122	116	92	85	82	95	80	82	52	62
Native	51	57	50	61	54	63	54	58	49	54
Foreign—										
American	333	276	233	264	159	157	198	184	225	235
German	601	558	673	703	666	680	553	594	420	419
Italian	472	503	590	564	473	475	524	551	598	604
Japanese	558	552	662	639	771	772	599	582	563	591
Other nationalities	775	772	915	862	49	412	766	746	647	615
TOTAL ...	9,517	9,355	9.648	9 736	9,006	8,785	8,367	8,185	7,903	7,805

Nationality	1933-34		1934-35		1935-36		1936-37		1937-38	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British	4,792	5,044	5,120	5,387	5,422	5,534	5,380	5,720	6,039	6,889
British Indian	17	33	17	43	5	79	26	92	356	315
Native	26	49	35	61	33	59	36	57	41	68
Foreign—										
American	223	253	260	262	321	284	297	258	248	268
German	352	435	379	444	456	545	490	599	417	574
Italian	710	722	679	750	491	505	488	533	716	671
Japanese	533	525	654	621	777	679	776	791	635	604
Other nationalities	537	516	795	659	697	563	695	728	588	612
TOTAL ...	7,360	7,717	7,939	8,227	8,302	8,248	8,188	8,733	9,040	9,501

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

IMPORTS

Articles	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Grain and Pulse—Wheat	294	276	158	125	364	338	176	233	203	326
Gram and Pulse	311	256	284	197	422	619	162	290	526	472
Rice, husked and unhusked	2,569	1,907	2,249	2,238	2,447	1,687	1,988	1,983	1,620	2,022
Other Grains and Pulse	1,176	1,258	587	778	729	379	298	537	681	1,125
Hides and Skins	209	171	134	106	97	125	134	141	169	176
Ghi	93	80	70	57	60	56	61	57	66	74
Tobacco	137	139	119	112	137	93	70	117	100	114
Wool, raw	314	214	103	130	71	174	151	191	264	178
Carpets and Rugs	33	31	22	17	20	14	11	12	17	16
Borax (*a*)	20	14	15	10	7	9	9	7	5	9
Charas (*b*)	2·0	2·3	3·0	2·7	2·3	2	2	2	2	2
Jute, raw	383	303	288	300	208	271	349	336	293	221
Oilseeds—Linseed	398	583	497	409	446	429	263	389	349	297
Mustard and Rape	324	282	260	304	356	286	343	297	388	453
Treasure (in 1,000 ounces)										
Gold	...	...	1·8	...	36	66	78	13	7	2
Silver	5,908	4,943	3,275	4,398	6,847	9,796	9,712	1,601	663	278

(*a*) Imported in appreciable quantities from Tibet.
(*b*) Charas imported mainly from Central Asia and Turkistan.

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

EXPORTS

Articles		1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1937-38
Cotton—Twist and Yarn	62	76	79	72	73	66	58	67	64	65
Piecegoods, foreign	350	258	181	215	200	211	218	244	310	251
,, Indian	237	246	257	294	295	287	249	307	311	365
Dyes and dyeing materials, Indigo	·9	·9	·7	1·6	1·7	6·7	3·7	3	2	2
,, others	28	12	11	27	32	13	10	10	11	10
Grain and pulse—Wheat	1,131	1,344	1,417	1,136	835	1,116	920	733	826	460
Rice, husked	530	701	649	670	663	697	717	618	606	615
Others	1,474	1,353	1,164	1,720	1,580	1,404	1,427	1,211	1,290	1,149
Iron and Steel—Unwrought	34	53	58	57	26	30	15	8	18	17
Sections	353	238	343	291	195	307	382	259	417	250
Machinery and Millwork	65	49	43	52	30	19	37	65	40	63
Others, including Hardware and Cutlery	54	30	54	29	31	24	26	35	41	40
Petroleum	331	376	370	392	311	357	392	327	394	510
Salt	1,844	1,706	1,599	1,740	1,706	1,501	1,526	1,558	1,517	1,627
Sugar—Unrefined	102	93	97	72	83	166	108	110	155	175
Refined	989	939	1,075	771	741	888	910	638	819	901
Tea	100	105	98	102	104	174	267	191	190	170
Tobacco	141	131	126	134	112	107	111	118	111	105
Brass and copper (a)	15	11	8	14	29	16	21	17	11	9
Betelnuts (a)	37	37	30	39	32	24	35	26	26	32
Treasure (in 1,000 ounces)—										
Gold	2·0	3·0	25·5	16	2·5	...	177	...	35	1
Silver	3,378	6,185	8,288	15,151	3,976	2,051	897	454	2,078	566

(a) Sent in appreciable quantities to Nepal.

Total tonnage of vessels employed in the Trade of India

(In thousands of Tons)

Year	Foreign trade	Coasting trade
1924-25	17,656	41,584
1925-26	17,136	43,112
1926-27	17,039	43,481
1927-28	17,579	47,873
1928-29	18,872	49,800
1929-30	19,384	52,181
1930-31	16,552	42,026 (Not accurate as Madras figures are not available)
1931-32	1,7971	Not available
1932-33	15,708	51,906
1933-34	15,077	91,625
1934-35	16,167	54,338
1935-36	16,551	39,853*
1936-37	16,922	39,850*
1937-38	18,541	37,513*

* Figures prior to April, 1937, include entrances and clearances of British Indian and Foreign vessels and native craft from and to Burma.

TRADE SECTION:

INTERNAL TRADE

The importance of internal trade has generally been overlooked in all countries for a variety of reasons. There was in the first place, the survival of the old mercantalist notion that the wealth of a country is increased only through its foreign trade. The *laissez faire* economics of the nineteenth and twentieth centuries did little to help a more correct appreciation of the importance of internal trade activity, though it gave a corrective to the crudities of mercantalism. The exaggeration of the importance of foreign trade may be seen from the fact that international trade has been regarded widely as identical with world trade and as the sole index of economic prosperity. With the formulation of national economic policies and the growth of protectionism, internal trade is bound to grow both in volume and in importance. In India foreign trade monopolised the attention of economists for two reasons. Firstly, Government was more interested in foreign trade than internal trade and, therefore, provided more statistics in regard to the former. Secondly, the state of the national economy and the country's indebtedness invested the favourable balance of trade and balance of payments with an unique importance. Now that India, in common with the rest of the world, has taken to the policy of protectionism with a view probably to ultimate economic self-sufficiency, the course of internal trade has to be studied with at least as much care and attention as the foreign trade. It is with a view to facilitate such an important study that we have included the statistics of internal trade in the ***Indian Finance Year-Book***.

It will be easily seen that internal trade falls into two divisions—coasting trade and rail and river-borne traffic. The statistical data furnished in this section of the *Year Book* require an explanatory note about the basis of compilation.

COASTAL TRADE

The "coastal trade" dealt with in these tables is the trade registered at the British Indian ports, that is to say, the trade of these ports with one another and with Indian ports not British. The figures show generally the trade as declared in the shipping documents duly scrutinised with reports of notices of short arrivals or shipments and passed through the Customs Houses up to the last working day of the month or as near to that date as is practicable. The term "Indian merchandise" comprises all goods that are of the growth, produce or manufacture of India. Indian merchandise is distinguished from Foreign merchandise in the declaration of importers or exporters made in the Bills of Entry or Shipping Bills from which the trade statistics are compiled.

The registration of the coasting trade is done separately (from the foreign seaborne trade) in the six maritime provinces namely, Bengal, Bihar and Orissa, Bombay, Sind, Madras and Burma. The total imports into, and the total exports from, each province are divided as follows:—

1. Internal trade, i.e., trade among ports within the same province.

   (This includes the trade between a Customs and a non-Customs Provincial port which is registered at a Customs port).

2. External trade, i.e., the trade, between one province on the one side and all other provinces plus non-British ports in India (e.g., Kathiawar ports, French ports, etc.) on the other.

Passengers' baggage, postal transactions and merchandise transhipped at Customs ports are excluded from the accounts of both imports and exports. Imports and exports of gold and silver coin and bullion on private or Government account, are recorded separately and are not included in the figures of merchandise. Merchandise

imported or exported on Government account, however, is outside the scope of these statistics.

RAIL AND RIVER-BORNE TRADE

The statistics of rail and river-borne trade were published upto the year 1922 but were then discontinued on grounds of economy. The information collected prior to 1922 used to be compiled from quarterly returns furnished by the local governments and they were published in a consolidated form in an annual publication. The publication of these statistics was resumed from the year 1933-34; and it is now essentially on the same basis ; but the figures are published monthly and purport to be a summary view of the inland trade of India during each month together with running totals from the beginning of the official year.

The statistics relate to the inland trade of India, carried by the railways and the steamer services, and represent the movement of the trade into and from a province taken as a whole, or a chief port or ports, the trade of which is registered separately from that of the trade of the province in which such port or ports may be situated. The trade dealt with in these accounts would, therefore, fall into one or other of the following categories:—

(i) the trade of a province with other provinces,

(ii) the trade of a chief port with the province in which it is situated, and

(iii) the trade of a chief port with other provinces.

Goods carried from one station to another within the same province or principal trade block are not registered for purposes of these accounts.

Classification of the trade by blocks.—For the purposes of registration of these statistics the country is divided into 18 principal blocks, namely—

(i) 9 blocks representing the British provinces—Assam, Bengal, Bihar and Orissa, the United Provinces of Agra and Oudh, the Punjab (including the North-West Frontier Province and the Delhi Province), Sind and British Baluchistan, the Central Provinces and Berar, Bombay and Madras ;

(ii) 4 representing the principal port towns—Calcutta, Bombay, the Madras seaports, and Karachi ; and

(iii) 5 representing Indian States—Rajputana, Central India, the Nizam's Territory, Mysore, and Kashmir.

Thus, the trade shown against "Bengal" is the trade of the province of Bengal, excluding Calcutta, the trade of which is shown separately ; similarly, the trade credited to "Bombay," to "Sind and British Baluchistan," or to "Madras" exclude the trade of Bombay port, Karachi or the Madras seaports for which separate figures are given. The rail-borne trade is not registered in Burma. The trade of the Indian States which lie within the external boundaries of a British province is included in the trade of that province.

The table gives a concurrent view of the imports into, and exports from, each of the 18 principal trade blocks of the commodities selected for specification in these accounts. As in inland trade the same commodity would figure once as imports into one trade block and again as exports from another, the necessity for separate tables to show the imports and exports has been dispensed with.

The plan on which the system of registration in force is based is that each of the railways should register its own imports (i.e., such traffic as is received at stations on its line within a particular province or principal trade block from other provinces or blocks) without taking any account of the traffic which is received at such station *en route* to a destination on a different system, or to a station on the same system situated outside the province or trade block. In order to minimise the number of returns it has been arranged with the major railways that the statistics of import into stations on the minor railways with which they connect should also be registered by them. In the case of river-borne trade, the traffic is registered by the agents of the different steamer services concerned :—

(a) between Calcutta and
  (1) Assam,
  (2) Bengal, excluding Calcutta,
  (3) Bihar and Orissa,
  (4) the United Provinces ;

(b) between Assam and
  (1) Bihar and Orissa,
  (2) the United Provinces ;

(c) between Bengal, excluding Calcutta and
  (1) Assam,
  (2) Bihar and Orissa,
  (3) the United Provinces ; and

(d) between Bihar and Orissa and the United Provinces.

The trade carried partly by rail and partly by river, when booked through and

carried by steamers running on connection with railways, is to be recorded generally by the railway administration concerned. The inter-provincial trade borne in country boats is not so large as to justify separate arrangements for its registration, and the registration of such traffic would in any case offer serious administrative difficulties.

As the railway and steamer invoices show only the figures of quantity, the statistics offered in these accounts also relate to quantities only. Owing to the great disparity between prices for the same commodity in different parts of the country it is impossible for purposes of these accounts to work out the corresponding figures of value and experience in the past has shown that on whatever basis values are assigned to the quantity figures recorded, these are in most cases liable to make only a very vague approximation to the truth and should more often than not afford no basis for working out a true and correct balance of trade for the different provinces involved. The quantity figures entered in these accounts represent net weights, i.e., the gross actual weights recorded in the invoices less certain percentages (varying according to the class of goods involved) which have been taken to represent the weight of packing material, etc. The net weights so given are in all cases based on figures of quantity which are recorded in the invoices uniformly in standard maunds of 82 2/7 lbs.

It will be discovered that coinciding with an increase in the country's foreign trade the internal trade also underwent improvement, reflected at its best in the goods earnings of the Indian State-owned Railways which advanced by over Rs. 4 crores compared with 1935-36. As the statistics show the rise in industrial production influenced the traffic in coal and coke into most provinces and the building revival largely accounts for the rise under cement. More active conditions in the raw cotton trade resulted from the increase in foreign demand and the improved conditions in the mill industry, the increase being about 6 lakhs of maunds. The reduction in textile imports had a corresponding effect on the trade in foreign piecegoods, but the rise in internal consumption of Indian mill-made goods is measured by the advance in rail-borne trade in twist and yarn as well as piecegoods.

One of the few items to show a fall is dyes and tanning substances. The relaxation of Iranian trade regulations had a favourable effect on the trade in dried fruits, and the boom in the wheat trade was not apparently confined to the ports of shipment, as the returns show a rise of about 6 million maunds on the previous year. The marked increase in India's exports of hides and skins apparently stimulated the internal trade also though the actual increase was small. The larger production of India's jute industry is reflected in the rise under both raw jute and gunny bags and cloth. Last year's record shipments of shellac exercised without doubt a favourable influence on the volume of lac and shellac carried, but iron imports excepting those into Calcutta and Bombay and Madras ports showed a small decrease compared with the previous year. Last year's increase in manganese shipments had obviously no counterpart in the inland trade, but among minerals, mica registered an increase. Improved economic conditions within the country undoubtedly account for the rise in the consumption of salt and kerosene oil, the rise in the internal trade being an accurate index of improved purchasing power of the masses. The marked rise under groundnuts and cotton seed are not independent of the revival in the exports of one of our main staples, but curiously enough, the internal trade in linseed except into Bengal, failed to show an increase. Vegetable oils and ghee failed to register any improvement, but the great strides made by the sugar industry in providing practically the entire quantity needed for domestic consumption account for the increase of over 25 per cent. in the volume transported. The increasing consumption of tea within the country explains the rise of over 3½ lakhs of maunds recorded in the statistics.

The statistics support the conclusions that may be drawn from the data relating to industrial production and foreign trade, but as explained previously suffer from their incompleteness, and the fact that only the trade in a few selected commodities is covered by the returns. The renewed vitality of the country's internal trade, however, does not need evidence, for the rise in railway earnings and the generally higher yield of Government revenue originate as much from the brisker conditions obtaining in the internal trade as from the development of industries and the recovery in foreign trade.

NOTE.—From 1st April 1937, the figures for Coastal Trade exclude the trade between India and Burma. Figures for 1935-36 and 1936-37 generally include adjustments on that account. Figures for the earlier years are unadjusted.

Coasting Trade of India

Imports of Indian Merchandise

(Value in 000's Rs.)

Principal Articles	1933-34		1934-35		1935-36		1936-37		1937-38	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel	5,63	1,40,07	7,09	1,51,75	4,70	89,20	4,22	71,04	2,81	78,26
Drugs and Medicines	1,93	21,94	2,19	26,25	2,02	18,14	1,90	17,83	1,97	18,85
Dyeing and Tanning Substances	60,18	1,64,36	5,68	15,42	5,05	7,87	5,37	8,49	5,34	9,08
Fruits and Vegetables	14,94	1,46,51	19,85	1,70,90	19,32	1,06,96	17,39	94,89	15,92	94,34
Grain, Pulse and Flour—Rice	71,45	11,22,57	65,30	15,46,90	81,11	41,01	1,07,42	43,60	54,20	43,79
Wheat	1,63	1,16,87	1,84	1,71,87	7,12	1,44,81	7,96	1,11,71	6,89	1,24,48
Oils, Mineral	38,19	8,51,46	38,32	9,55,93	10,03	7,44	11,43	8,03	38	1,67
Salt	15,57	88,53	12,64	51,83	8,61	55,88	12,09	58,83	11,83	62,28
Seeds—Essential	2,31	35,99	2,51	43,77	2,62	30,00	2,32	34,16	3,05	44,89
Non-essential—Castor	4	5.77	...	4.97	3	9,24	6	3,50	2	5,62
Groundnut	74	13,05	2.85	13,76	7,23	16,60	16,43	22,14	28,05	35,97
Rape and Mustard	2,09	9,77	1.80	19.47	2,73	29,86	3.13	9,82	4,64	26,26
Sesamum	2,07	28,66	3,99	52,93	2,05	24,32	3,80	11,28	5,10	13,12
Copra	6,14	82,20	3,86	69,87	5,05	54,87	4,40	55,84	6,13	77,19
Spices	26,91	1,51,16	27,98	1,65,35	28,79	1,27,60	27,16	1.02,03	30,66	132,12
Sugar	11,50	14,26	16,25	15,45	21,06	12,70	41,51	64,77	36,22	24,71
Cotton—Raw and Waste	2,35,55	4,10,06	15,94	5,73.15	9,75	6,02,07	33,00	6,19.74	13,53	7,63,03
Twist and Yarn	2,62	2,48.67	2.34	2,64 30	1,80	2.45.20	2,34	2,36,91	1,50	2,67,59
Manufactures	25,46	10,03,81	37.69	11,42,21	27.12	8.32.42	20,61	8,84.80	25,98	9,00,86
Jute Manufactures	9,90	2,51,83	810	3,16,74	6.69	1.14,41	6,84	1,09.16	7.99	1,14,60
Tobacco ...	11,56	1,25,16	10.76	1.38.96	4.51	31,59	4,48	35.11	4,45	36,58
Teak Wood ...	4,04	1,49,28	5,99	1,75,91	3.01	1.98	2,84	45	2,77	39
All Others ...	...	...	...	...	1,44 93	1,264 12	1,43,48	7,82,63	1,36,66	8,80,42
TOTAL ...	6,74,86	61,40,72	4,89,21	74,90,58	4,05,67	33,57,74	4,82,25	33,91,70	4,06,09	37,56,10

Coasting Trade of India

Exports of Indian Merchandise (Value in 000's Rs.)

Principal Articles	1933-34		1934-35		1935-36		1936-37		1937-38	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel ..	3,52	1,22,40	4,51	1,49,89	4,08	82.01	3,90	69,93	2,52	75,20
Drugs and Medicines ..	1,46	19,57	1,46	19,06	1,62	16,22	1,23	17,89	1,55	17,27
Dyeing and Tanning Substances ..	4,98	15,92	5,99	16,30	5,10	9,18	5,13	8,79	4,99	9,90
Fruits and Vegetables ...	15,49	1,16,76	21,53	21,34	19,15	72,36	18,01	70,14	19,64	73,03
Grains, Pulse and Flour—Rice ...	14,28	82,41	84,17	13,60,23	1,13,59	74,64	1,20,51	83,[illegible]0	62.75	77,81
Wheat ...	1,69	1,15,43	1,84	1,66.24	6,30	1,52,07	7,33	1,18,77	7,03	1,44,43
Oils, Mineral	31,67	14,13,03	41.66	15,26.13	12,70	25,42	14,71	31,33	2,14	1,19
Salt	12,78	30,87	10.27	39,50	9,89	38.51	12,98	42.51	12,04	45,23
Seeds—Essential	2,30	34,43	2,96	34,40	2,77	32,76	2,29	26,28	2,72	33,96
Non-essential—Castor ...	4	65	...	41	1	43	4	1,03	1	17
Groundnut ...	67	7,69	2,56	57,89	7,59	12,37	16,97	16,08	27,62	27,06
Rape and Mustard ...	2,01	9,92	2,37	21,46	2,85	31.05	2.71	10,34	4 59	26,56
Sesamum ...	2,11	25.01	4,00	42.74	1,93	22.81	3,97	13,06	5,58	6,37
Copra ..	2,40	44,39	2,37	46,77	3,02	44,05	2,41	39,27	2,99	58,19
Spices	30,12	1,10,40	30.58	1,41,70	29,74	26,07	26.07	80 20	87,26	1,26,15
Sugar	11,71	14,71	9,37	14.85	15,81	35,34	35.34	25,37	77,96	31,74
Cotton—Raw and Waste ...	2,29,14	2,56,53	15,99	3,70.62	18,41	5.00,76	43.09	3,44,30	34	6,35,82
Twist and Yarn	2,39	2,63,82	2,18	75,35	1,76	2,43 10	2,51	2,07,67	1,58	2.51,06
Manufactures	25,43	11,99.23	21,30	12,84,21	14,75	10,07.93	16.22	10,27.68	14,78	10,42,06
Jute Manufactures	9,79	2,24,95	7,43	2,85,06	6,59	1,11.35	6.76	1,11,19	8.06	1.07,97
Tobacco	10.53	92.30	9,83	1,49,77	37	98,04	3,19	41.30	4,06	36,50
Teak Wood	4,67	1,76,35	5,54	1,95,89	2,94	13,56	3,16	12,59	3,18	12,82
All Others	2,68,40	...	...	...	...	...	...	...	..	...
TOTAL	6,87,58	65,57,14	4,78.11	76,30.06	4.26,5[illegible]	34,43,51	4,80,70	32,92,59	4,13.81	37,15,00

Coasting Trade of India

Imports of Foreign Merchandise

(Value in Thousands of Rs.)

Articles	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Hardware ...	52,17	62,01	59,99	62,70	37,83	37,77	38,73	21,17	21,91	29,40
Kerosene ...	12,45	13,78	9,88	11,13	23,38	21,01	14,99	7,66	6,66	18,07
Cotton Manufactures	2,54,37	3,01,04	2,74,56	3,81,34	1,78,03	1,44,02	1,30,71	1,17,68	1,49,92	85,21
Tobacco ...	11,87	11,84	15,02	8,99	20,30	2,48	2,54	4,12	4,47	4,07
All Others ...	5,43,52	4,94,33	4,69,83	5,68,64	4,37,12	4,58,24	4,57,38	2,71,49	2,75,42	3,58,21
Total ...	8,74,38	8,83,00	8,29,28	10,32,80	6,96,66	6,63,52	6,44,35	4,22,12	4,58,38	4,94,96

The details for the years 1930-31 and 1931-32 are not available. The totals are respectively Rs. 7,35,00,000 and Rs. 6,93,90,000.

Coasting Trade of India

Exports of Foreign Merchandise

(Value in Thousands of Rs.)

Articles	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Hardware ..	59,96	66,64	55,05	56,64	44,87	38,01	32,08	19,42	21,74	28,39
Kerosene ...	35,38	31,32	25,71	27,96	29,41	28,53	30,74	24,15	24,50	55,95
Cotton Manufactures	3,74,11	5,26,28	5,17,25	5,66,94	2,35,45	1,68,50	1,60,63	1,62,34	1,80,47	1,06,17
Tobacco ...	7,17	9,93	8,52	11,64	8,97	5,00	4,48	4,61	5,63	5,81
All Others ...	5,85,79	6,21,42	5,13,61	6,01,54	4,81,43	5,22,74	5,46,32	3,65,91	3,74,10	4,52,42
Total ...	10,62,41	12,55.59	11,20,14	12,64,72	8,00,18	7,62,78	7,74,25	5,76,43	6,06,44	6,48,44

Details for the years 1930-31 and 1931-32 are not available. The totals are Rs. 9,47,00,000 and Rs. 8,41,75,000 respectively.

Coasting Trade of India

Total Trade

(Value in Lakhs of Rs.)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Imports of private merchandise—												
Indian ...	95,05	1,01,14	98,79	92,07	80,49	79,78	73.82	68,15	79,79	37.64	38,74	41,62
Foreign ...	8,74	8,83	8,29	10.09	7,35	6,94	6,97	6,63	6,46	4,81	5,06	5,63
Government Stores	1.40	1.34	1.27	1,27	1,17	1.14	(b)	(b)	(b)	(b)	(b)	(b)
Total Merchandise ...	1,05,19	1,11,31	1,08,35	1,03.43	89,01	87.86	80,79	74.78	86,25	42,45	43,80	47,46
Imports of Treasure	3,60	1.48	1,69	1,79	1,52	1,38	1.97	70	1,16	22	17	25
Total Imports	1,08,79	1,12,79	1,10,04	1,05,22	90.53	89.24	82,76	75,48	87,41	42,67	43,98	47,70
Exports of private Merchandise—												
Indian ...	83,68	92,56	85,21	82,69	71,82	69,73	74.75	72,45	81,28	38,70	37,73	41,29
Foreign ...	10,62	12,56	11,20	12.65	9.41	8,42	8,00	7.62	7,74	6,40	6,57	7,65
Govt. Stores ...	1,23	1,04	99	1,15	97	73	(b)	(b)	(b)	(b)	(b)	(b)
Total Merchandise ...	95,53	1,06,16	97.40	96,49	82,20	78,88	82,75	80.07	89,02	45,10	44,30	48,94
Treasure ...	2,27	1,51	1.86	1,54	1,43	2.13	1.18	73	1,10	15	13	20
Total Exports	97.80	1,07,67	99,26	98.03	83,63	81.01	83.93	80,80	90,12	45,25	44,43	49,14
Total Trade	2,06,59	2,20,46	2,09,30	2,03,25	1,74,16	1.70,49(a)	1,66,69	1,56,28	1,77,53	87.92	88,41	96,84

(a) Includes total trade of 24 lakhs under Government Treasure, details for which are not available under 'Bengal.'

(b) Figures not available.

Trade between India and Burma—Chief Imports from Burma into India

(Value in Lakhs of Rupees)

Names of Articles		Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Rice in the husk ..	...	1,54	1,12	86	1,17	94	55	66	1,00	96	49	20
Rice not in the husk ...	...	4,18	7,96	10,93	8,28	8.38	6,37	9,93	11,96	11,73	11,59	10,98
Pulse ...	...	17	19	64	27	28	32	28	37	61	66	36
Oils, Mineral—												
Kerosene ...	..	3,82	3,72	4,10	4,98	5,27	8.42	8,49	9,25	8,14	9,18	5.33
Lubricating ...	...	(a)	21†	21	46	50	70	65	69	79	66	91
Benzine and Petrol ...	...	(a)	46‡	2,01	3,21	2,84	5,34	5,42	5,74	6,77	6,90	3,43
Candles ...	...	12	15	18	8	8	8	7	7	7	8	(b)
Lac ...	...	3	6	43	4	5	2	9	10	5	7	(b)
Wood and Timber—												
Teak Wood ...	...	1,17	1,32	2,39	1,93	1,52	1,63	1,64	1,82	2,09	2,00	2,06
Other Timbers ...	...	18	14	28	22	14	16	18	22	32	28	(b)

(Quantity in Thousands)

Names of Articles		Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Rice in the husk ...	(tons)	214	168	93	175	259	110	161	222	174	87	38
Pice not in the husk ...	(,,)	383	806	709	811	1,036	936	1,928	1,978	1,573	1,534	1,198
Pulse ...	(,,)	19	19	46	23	33	42	44	50	74	82	38
Oils, Mineral—												
Kerosene ...	(gals.)	97,570	110.821	119,290	113,429	120,414	126,397	122,588	127,775	114,728	127,565	132,880
Lubricating ...	(,,)	(a)	2,967†	2,160	6.515	7.341	7,465	6.525	6,779	7,264	5,505	14,185
Benzine and Petrol ...	(,,)	(a)	4.215‡	14,371	1,101	45.345	47,650	48,082	55,339	95,473	66,124	63,395
Candles ...	(lbs.)	4,403	5,455	6.237	2,873	2,847	2,752	...	2,619	2,981	55	(b)
Lac ...	(cwt.)	...	...	...	...	...	...	63	47	32		(b)
Wood and Timber—												
Teak Wood	(C. tons)	123	110	166	125	104	125	132	154	180	170	(b)
Other Timbers	(,,)	28	20	25	21	16	17	23	30	41	39	(b)

† Average of 4 years.
‡ Average of 4 years representing "Petrol" only.
(a) Included with "Oils—Mineral—other kinds" prior to April, 1915.
(b) Figures not available.

Trade between India and Burma—Chief Exports to Burma from India.

(Quantity in Thousands.)

Articles		Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*
Coal	(tons) ..	413	342	370	654	427	341	274	331	311	288	532
Cotton Twist and Yarn	(lbs.) ...	10,395	12,636	18,944	12,430	12,915	12,616	12,616	11,482	10,100	10,804	8,870
Cotton piecegoods—												
Grey (unbleached,—												
Indian	(yds.) ...	7,859	8,570	8,649	6,797	17,757	14,664	19,651	9,978	17,633	20,631	49,514
Foreign	(,,) ...	3,009	3,116	5,496	1,811	2,337	1,629	1,813	1,072	1,469	1,424	
White (bleached)												
Indian	(yds.) ...	3,707	5,895	4,485	4,984	5,819	5,505	15,671	30,194	21,574	29,201	5,239
Foreign	(,,) ...	2,586	3,741	2,003	524	1,293	1,176	819	2,302	1,058	5,326	
Coloured, printed or dyed—												
Indian	(yds.) ...	12,199	21,312	18,122	11,249	20,438	22,913	36,029	44,746	29,626	33,050	39,253
Foreign	(,,) ...	2,333	4,434	3,842	1,357	2,411	1,935	2,485	1,040	1,555	1,565	
Jute bags	(No.) ...	38,948	39,822	40,123	49,030	53,292	41,181	57,196	56,951	53,241	54,479	50,882
Betelnuts	(cwts.) ...	311	279	294	372	243	225	231	213	203	202	(b)
Tobacco, unmanufactured	(lbs.) ...	21,160	16,432	16,687	10,225	14,014	13,393	11,115	11,466	11,441	13,132	7,628
Pulse	(tons.) ...	14	12	15	18	12	13	6	6	5	4	(b)
Wheat flour	(tons.) ...	16	12	18	23	18	19	20	22	24	26	27

(Value in Lakhs of Rupees.)

Articles	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*
Coal	51	65	1,09	96	68	55	45	50	46	42	49
Cotton, Twist and Yarn ...	56	97	2,35	70	68	65	52	55	48	51	50
Cotton, piecegoods—											
Grey (unbleached)—											
Indian	14	22	37	17	34	28	36	33	32	35	1,19
Foreign	5	9	24	4	6	3	4	2	3	3	
White (bleached)											
Indian	8	18	25	15	15	14	29	55	45	55	12
Foreign	5	13	11	1	4	3	2	5	2	1	
Coloured, printed or dyed—											
Indian	27	60	95	43	64	70	90	1,06	73	78	1,50
Foreign	6	20	25	4	10	7	7	3	4	4	
Jute bags	1,19	1,66	1,88	1,86	1,66	1,11	1,53	1,52	1,28	1,25	1,05
Betelnuts	60	56	64	48	43	34	30	27	27	31	(b)
Tobacco, unmanufactured ...	58	43	51	33	29	28	22	22	19	23	11
Pulse	20	20	36	30	18	20	9	9	8	6	(b)
Wheat flour	29	27	52	44	26	30	28	29	33	39	40

(b) Figures not available.

* Since 1st April 1937, Burma has been separated from India and as such trade of Burma with India has been included in the Foreign Sea-Borne Trade of India, it no more forms part of the Coasting trade.

Tonnage of vessels engaged in the Coasting Trade of India

(In thousands of Tons)

Provinces	1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36		1936-37		1937-38	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
Madra ...	9,143	9,414	9,848	9,736	10,300	(a)	...	(a)	10,551	10,894	11,196	11,562	13,024	12,336	10,742	11,479	10,755	11,006	9,809	10,076
Bombay ...	4,246	4,556	4,191	4,642	4,134	4,568	...	(a)	4,471	4,503	4,568	4,876	4,709	4,955	4,769	4,770	4,815	4,999	5,043	4,978
Burma ...	6,216	6,138	6,432	6,426	6,447	6,387	6,712	6,757	4,724	4,508	4,872	4,737	4,916	4,766	...	...	...	...	...	...
Bengal ...	3,784	3,117	4,098	3,592	3,689	3,356	(c) 3.016	(c) 2,709	3,439	3,078	3,545	3,031	3,876	3.254	2,658	1,840	2,597	1,923	2,320	1,501
Sind ...	1,566	1,620	1,605	1,611	1,598	1,547	1,533	1,634	1,388	1,637	1,473	1.719	1,702	1,800	1,657	1,884	1,626	1,755	1,636	1,826
Bihar & Orissa	...	...	...	...	...	...	...	..	...	...	...	...	...	...	26	27	201	173	183	172
TOTAL ...	3,637	32,236	24,955	24,845	26,174	26,007	26,168	15,858	24,588	(b) 24.634	25,667	25,957	27,207	27,131	19,853	20,000	19,994	19,855	18,991	18,553

(a) Figures not available separately.

(b) Exclusive of figures for Madras.

(c) Figures for Calcutta Port only.

Volume of Inland Trade of India (1936-37 and 1937-38)
River and Rail-borne
(*Volume in—Maunds*)

Names of Articles	Total for 1936-37	Total for 1937-38	Names of Articles	Total for 1936-37	Total for 1937-38
Bones	4,672,117	5,036,899	Iron and Steel Bars, Sheets, etc.	39,317,520	38,625,431
Cement	19,948,277	22,740,679	Lac and Shellac ...	1,245,607	976,664
Coal and Coke	397,816,480	464,275,290	Manganese Ore ...	21,213,379	33,157,026
Coffee	210,986	175,817	Oilcakes	8,401,018	10,082,702
Twist and Yarn—(*a*) Indian ...	2,682,240	2,884,237	Oils—Kerosene ...	15,604,216	15,861,879
(*b*) Foreign ...	270,980	171,284	Vegetable Oils ...	4,552,018	5,521,728
Piecegoods—Indian ...	9,360,215	10,265,[illegible]80	Oilseeds—Castor ...	1,699,082	1,076,636
Foreign	1,160,820	924,005	Groundnuts ...	16,572,819	12,773,811
Dyes and Tans—Myrobalans ...	1,622,789	1,950,628	Linseed ...	7,044,948	7,427,847
Fruits, dried	10,064,639	10,113,482	Rape and Mustard	7,148,222	7,796,483
Glass	969,958	1,076,044	Gingili or Til	2,347,021	2,037,211
Grain and Pulse and Flour—Rice	50,098,712	47,567,341	Cotton ...	8,964,482	8,516,776
Wheat ...	28,108,616	32,561,916	Ghee	692,237	762,210
Wheat flour ...	5,915,031	6,212,140	Salt	30,001,854	30,039,649
Others ...	73,390,030	86,847,575	Sugar—Refined ..	24,989,694	23,148,005
Hemp, Indian and other fibres (excluding Jute) ...	1,745,812	1,695,117	Sugar—Unrefined, gur, rab, etc.	15,400,821	16,335,268
Hides, raw	1,996,223	1,812,422	Tea	4,264,368	4,779,674
Skins, raw	1,160,550	1,156,248	Tobacco, raw ...	3,295,936	3,455,825
Hides and Skins, tanned and leather	586,823	610,099	Wood and Timber—Teak	2,098,835	1,932,918
Jute, raw, loose and pucca bales ...	36,938,390	31,392,310	Other timber	12,992,770	16,238,972
Gunny Bags and Cloth	5,152,846	5,385,512	Wool, raw	770,426	573,911

INDUSTRIAL SECTION:

THE INDIAN TARIFF BOARD

HISTORICAL SKETCH

The Indian Tariff Board is the natural result of the decision of the Government of India after the Great War to change the fiscal policy and adopt a policy of Protection to be applied with discrimination. This decision was based on the findings of the Fiscal Commission that the industrial development of India had not been commensurate with the size of the country, its population and its natural resources and that the fullest development must be aimed at by a policy of judicious protection. The Fiscal Commission also laid down the guiding principles of such a policy and recommended that in its application the Government of India should be advised by a Tariff Board consisting of not less than three members conducting their enquiries under conditions of the utmost publicity. The Legislative Assembly accepted these recommendations in a resolution of February 16, 1923. And the Tariff Board was appointed in March, 1923, initially for one year as a measure of cautious experiment, and later, on the basis of a biennial renewal. Though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members of the Board should be elected by the non-official members of two assessors chosen from the commercial the Legislature and there should also be and mercantile community, the constitution of the Tariff Board which consists of three members, one of whom is a Government official has been found by experience to be not unsuited to the purpose. There has so far been no demand for any change in the constitution of the Board.

The procedure in the case of a Tariff Board enquiry is very simple. The industry concerned applies to the Government making a *prima facie* case for protection, and if and when the Government think it fit, the application is referred to the Tariff Board for enquiry and report. As recommended by the Fiscal Commission, conditions of the utmost publicity are ensured though, of course, proceedings *in camera* are resorted to, when the evidence tendered is of such a nature that its publication will involve the divulging of trade secrets. The interests concerned and public bodies like the various commercial associations submit their memoranda, supplemented, where necessary, by oral evidence. The report is to be submitted to the Government; and on its acceptance by Government, the desired changes are effected by the normal processes of legislation. The Tariff Board is of necessity an advisory body, the final decision resting with the Government and the Legislature.

The first task of the Tariff Board with reference to any application is, as required by the Fiscal Commission, to assure itself that the industry satisfies the fundamental conditions necessary for a grant of Protection, namely, (1) that the industry possesses natural advantages, (2) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable and (3) that it will eventually be able to face world competition without protection.

The rationale of the above conditions is obvious. Taken together they mean that, except in the case of industries which are essential for national defence and are therefore outside the pale of ordinary economic considerations, protection should be recommended only if the Board is sure it is not an avoidable or permanent burden on the consumer. This is in consonance with the principles of Free Trade which may be regarded as the permanent economic rule with protection as a mere temporary exception. Every report of the Tariff Board may be deemed to fall into two parts, one showing whether the fundamental conditions are satisfied and the other, detailing the specific scheme of Protection and the reasons why the alternative methods are ruled out.

It is appropriate to attempt a short analysis of the work of the Tariff Board during the past few years. The Board has so far undertaken and accomplished about

50 enquiries. Of these, in only four or five cases have its recommendations failed to meet with the acceptance of the Government. Wire and wire nails, which was one such, subsequently gained the protection it sought. In the other instance of the heavy chemicals industry, the publication of the report was delayed for two years after its submission to Government, after which it was granted tentatively a somewhat grudging measure of protection. In eight instances, the applications were turned down by the Tariff Board ; and the Government acquiesced in its decision. In the case of magnesium chloride, coal and printers' ink, it was held that the case for protection was not established, though the latter gained its object through a slight increase in the import duty. Cement failed to procure State help as it was found that what the industry suffered from was not the competition of foreign producers but a state of overproduction at home, a position which it was for the industry to adjust as soon and as well as possible. The most outstanding instance in this category of rejected applications is that of oil, in which not only were the producing interests unable to establish a case for protection but a certain section of them was found to be unwilling to place the full facts before the Board.

There were four cases in which import duties on raw materials needed for Indian industries were either reduced or removed. In all the other cases, the applications have resulted in the grant of a substantial measure of protection. But the chief beneficiaries of the activities of the Tariff Board have been the cotton mill industry and the iron and steel industry. Latterly, matches, salt and sugar have come in for a substantial help by way of protection. But nearly ten enquiries have been conducted by the Tariff Board in regard to articles which are closely connected with the iron and steel industry. The cotton industry has been referred to it twice, not including the occasion in which the condition and needs of the cotton industry were the subject of an *ad hoc* enquiry by Mr. Hardy, the Collector of Customs. While the help rendered to the cotton industry has been in the shape of an increase in the duty on imported yarn and piece-goods, the iron and steel industry has had all manner of help ranging from a change in the tariff to direct bounties doled out by the State. It would be unnecessary to detail the various steps taken to strengthen the iron and steel industry, as they are given in the table appended to this article.

After the lapse of more than a decade, one feels tempted to take a comprehensive view of the work of the Tariff Board during this period, and to appraise *in toto* the benefits of the regime of discriminating protection and to enquire whether the constitution and functions of the Tariff Board leave any room for improvement. The task of estimating the value of discriminating protection has been attempted now and again both by businessmen interested in particular industries and by disinterested economists. An appreciation of the difficulties of the task and the practical value of its accomplishments to the economic policy of the future would suggest that its importance has been somewhat exaggerated. The virtual death of international trade and the passing of the age of free trade and the well-nigh universal adoption of economic nationalism preclude the possibility of India abandoning discriminating protection after a trial of more than ten years. Broadly speaking, the test of success of a protectionist policy is expansion of productive activity at home and the progress which the protected industries are able to make in the reduction of costs, and the attainments of economies which were mainly to be effected under the shelter of the protectionist duties. If these are the two principal criteria of success one can say confidently that the policy of discriminating protection has been amply justified by its results. For as mentioned already, the chief beneficiaries of the policy of discriminating protection are the cotton mill industry and the iron and steel industry. To this has now to be added sugar because of its being a prime necessity and having an equally important place both in the agricultural and industrial life of the country.

No one can deny that all these three industries have, on the whole, made good use of the advantages conferred on them by the State. The cotton mill industry is much older than the policy of discriminating protection. And one would expect that the additional advantage of protection would enable the industry to outgrow the need for these much sooner than other industries. The charge that the cotton mill industry has shown the utmost inefficiency has been repeatedly made before the Tariff Board and in the press. The 1932 report of the Tariff Board on the cotton mill industry shows clearly that there are numerous mills in the country and particularly in Ahmedabad which can produce goods of high quality and market them successfully in unaided

competition with Lancashire. But for the rapid progress made by the Japanese mills, their low cost of production, and last but not least, their questionable methods of competition, the cotton mill industry would not have to figure as largely in our protectionist programme as it has to. As for the iron and steel industry, the poor measure of protection accorded to the industry has been practically scrapped by by the 1934 report of the Tariff Board. Not only have the protective duties been withdrawn in most cases, but the Tariff Board has actually recommended the abolition of revenue duties to which advantage a national industry is entitled even under a scheme of fanatical free trade. In this instance, the Continental steel industry plays about the same part as Japan plays in the case of the cotton mill industry. But it is the considered opinion of the Tariff Board that if Continental manufacturers would charge fully economic prices for their products, then the iron and steel industry would have no reason to fight shy of open competition with them in the Indian markets. As against the British industry the Indian is now believed to be able to forego the advantage of revenue duties. Though the abolition of revenue duties effected by the Iron and Steel Duties Act is manifestly unfair to the Indian industry and is not without grave risks to the welfare of the Tata Iron and Steel Company, the findings of the Tariff Board leave no room for doubt that protection to the iron and steel industry has been hundred per cent. sucessful.

The sugar industry has had a short period of intensive protection. Within a year of the inauguration of protection for sugar it was clear that in this instance protection had led to abnormal expension of sugar industry in India. The sugar technologist of the Government boardcast the view that there had been an almost unhealthy expansion and it was in the interest of the industry to put a curb on such expansion. The Government of India also found that the import duty on sugar comprising as it did, both the protective duty recommended by the Tariff Board and the revenue surcharge, was so effective in checking the imports of sugar from abroad that the Government's expectations of revenue from this source were not realised. So in the last quarter of 1933-34 Sir George Schuster came to the conclusion that in the interest both of the industry and the revenue of the an excise duty on sugar, leaving the net amount of protection at the level recommended by the Board, so that it will be seen that protection has been successful in not only bringing the sugar industry into existence but also in inducing its vast expansion within a very short period. Thus, judged by the record of the big staple industries, discriminating protection has already much to its credit.

There is then the question of the constitution and the functions of the Tariff Board. It may be said that though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members should be elected by the non-officials of the legislature, and that there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board, consisting of three members one of whom is a Government official has been found by experience to be quite suited to the purpose. There has so far been no demand for any change in the constitution of the Board. And as it has functioned for a period of ten years without a break, it has come to be regarded as part of the permanent machinery of Government. Though it is outside the scope of this *Year Book*, it may be mentioned here that in the middle of June 1936, the Government disbanded the Tariff Board on the ground that the Board could be reconstituted as and when necessary. Though it is true that there was no work for the Board for some time to come, the action of the Government created serious disquiet in the public mind regarding the continuance of the policy of discriminating protection. And the disquiet was enhanced by the report that Government was considering a downward revision of customs tariffs. The Fiscal Commission, it is pertinent to recall here, contemplated a Tariff Board, which between one enquiry and another would be engaged in an examination of the tariff schedule and the effects thereof on indigenous industry, and which would, from time to time, make suggestions for its revision. There is no doubt that the questions relating to the Tariff Board should be gone into afresh in the light of the experiences of the last decade.

It was mentioned last year that the Government of India's attitude underwent a change and the Finance Member was prone to question the value of the policy of discriminating protection. The very alacrity with which the Government of India acted on the advice of the Special Textile Tariff Board

Government, it would be advisable to levy engendered a suspicion that only where Imperial Preference was concerned the Government attached value to the views the Tariff Board. The Legislature which instructed the Government of the India to give notice as regards the termination of the Ottawa Pact last year reaffirmed its faith in the well-tried policy of the past fifteen years and members so diverse as Sir Tracy Gavin Jones and Sir Homi Mody gave expression to the fears and suspicions lurking in the hearts of the business community.

Meanwhile, the stalemate in the Indo-British trade treaty negotiations indicates a possible source of danger in the British claim for tariff concessions now being vigorously pressed. Whatever might have been done in the past would be sacrificed if any embarrassing extensions of preferences are made. Meanwhile the Ottawa privileges remain a monument to the inexperience or temerity of previous negotiators, and if the Indo-Japanese trade treaty involved stiff bargaining, with the Japanese holding a hand as good as ours this year too, the opportunity furnished by negotiations with British must not be sacrificed for sentiment or anything else. Those, who envisage a period of rapid industrial advance in the near future and urge the importance of planning, will certainly resist the grant of any privileges to Britain's export trade in India at the expense of India's industries. Fiscal policy remains the most handy weapon, and if in the last few years, the original purpose and principles have been blurred there is now a feeling that industrial development must be fostered, now that internal trade recovery has proceeded far, and there is a feeling that the new Provincial Governments at least can be trusted to make up for the apathy of the Central Government.

Reference was made to the enquiry undertaken by Mr Nehru last year into the effects of Japanese competition on minor industries in India. When the war between China and Japan broke out there was an impression that Japanese competition would relax and the enquiry was suspended. After a few months, commercial interests found that after a temporary suspension, imports from Japan continued to gain ground, but in one sphere at least, that of textiles, the restrictions regarding fents would appear to be bearing fruit. There were no important changes in the Indian tariff but for the continuance of the additional import duty on salt and the renewal of the import duty on sugar pending the publication of the Tariff Board report. Reference must be made here to the abolition of the surcharges imposed on the paper duties in deference to the suggestion of the Tariff Board. There was no outstanding issue on which public opinion clashed with Government policy, but right through 1937, there were protests against the increase in the excise duty on sugar and complaints were heard against the delay in negotiating a trade pact with Britain. The visit of the Lancashire mission, the difficulty in reconciling their demands for a lower tariff and quota privileges and the frank opposition of the non-official advisers to the Lancashire demands showed that Indian opinion remained suspicious. Sir Mahomed Zafrulla Khan's third visit to Britain was inconclusive and the negotiations hang fire.

On another point, the necessity of accelerated development, the unanimity of opinion is striking. Provincial ministers have discussed the policy of co-ordination and a conference under the Congress Party's auspices is to take place in August. Local governments have made grants for the development of cottage industries, and in Madras, a special act has been made to encourage the handloom industry by the levy of a license fee on all dealers in mill-made cloth. More attention is being paid to forest products as a source of raw material and in Bombay a scheme has been formulated for setting up a paper mill. In Bombay also, an industrial survey has been launched and a special committee has been set up to devise arrangements for aid to promising small industries.

The trade treaty made with South Africa was the only important pact made during the year and its purpose was not so much to expand trade as to conserve the existing favourable balance of trade. The arrangement with the Zanzibar authorities that led to a resumption of the clove trade suspended for months owing to the boycott must also be mentioned here. The appointment of Indian trade commissioners in New York, Mombasa and Osaka was made in response to Indian requests for proper repesentatation abroad, and the Osaka office has been helpful in putting forward the claims of India shippers of cotton who have suffered through the import control and exchange regulations enforced by Japan during wartime. To remind the Indian public that a trade treaty alone is not enough to protect the country's export trade there supervened the adverse developments in the cotton trade. A sharp shrinkage in India's cotton export followed the slump in cotton prices since August 1937.

The Government of India have endeavoured to secure less onerous terms for Indian exporters under contracts to Japan, and the latter country despatched an unofficial mission in June to reach some arrangement with the Indian cotton trade. The visit of the Lancashire missin aroused distrust in the minds of the Indian milliowners who were invited to join in the discussions and there lurks the fear that the future of the industry may be prejudiced by other concessions to British textiles.

Industrial development through the year has been somewhat chequered. Widespread labour unrest indicated that in the absence of any specific improvement in economic conditions within the country enterprise would be restrained and the remarkable falling off in new flotations points to a feeling of caution. But the major Indian industries made real progress to judge from output figures, though market conditions for piece-goods etc, since the beginning of 1938 have been hardly promising. The Government of India continued to display indifference and the small efforts made to improve glass manufacture are not commensurate with the hopes cherished at the time that the Industrial Intelligence Bureau was started. The public dissatisfaction with the delay in the publication of the Tariff Board's report on the sugar industry has been frequently expressed and critics were not lacking, in Bengal at any rate, with the decision to afford former advantages to the salt producers of Aden who stated that they should be covered by the scheme of protection. The manner in which the Indo-British trade pact negotiations have been conducted has also been severely criticised and the delay alone has created fresh fears. It is presumed that early next year the Tariff Board will examine the position of the cotton textile industry.

There are, however, some favourable features to chronicle. Public appreciation of the need for industries developed further and the Provincial ministries apparently have a lively sense of the need to give the villager supplementary occupations. More is heard of planning and in the Indian States new enterprise has sprouted forth. The establishment of a heavy chemical industry is now within realisation, thanks to the flotation of the Alkali and chemical Corporation sponsored by I. C. I. The creation of an aluminium manufacturing industry is to be undertaken by foreign capital, and thus in a year or two, the country's dependence on foreign imports will be reduced in two important branches.

TABULAR STATEMENT SHOWING THE WORKING OF THE TARIFF BOARD.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6
1	July 10, 1923.	*President:* G. Rainy. *Members:* P. P. Ginwala, V. G. Kale.	Steel Industry.	ROLLED STEEL INDUSTRY Specific duties of varying amount were recommended on different kinds of rolled steel as under— Rs. per ton. Structural shapes, *i.e.*, beams, angles, channels, etc. ... ... 30 Ship, tank and bridge plates ... 30 Common merchant bars and rods ... 40 Light rails (under 30 lbs.) ... 40 Black sheets, whether plain or corrugated ... ... 30 Galvanized sheets, whether plain or corrugated ... ... 45 WROUGHT IRON. Angles, channels ... ... 20 Common bars ... ... 35 A sliding scale of bounties was recommended on the manufacture of medium and heavy rails and fish-plates and the conversion of the existing *ad valorem* duty into a specific duty of Rs. 14 a ton was also advocated. ENGINEERING INDUSTRY. 25 per cent. *ad valorem* duty on fabricated steel generally, but excluding (*a*) steamers, launches, barges, flats, boats and other vessels, and (*b*) all vehicles except colliery tubs and tipping wagons. 25 per cent. *ad valorem* on switches and crossings. Specific duty of Rs. 40 a ton on spikes and tie bars. WAGON BUILDING INDUSTRY A sliding scale of bounties was recommended subject to a maximum cost of Rs. 7 lakhs to the State.	The Steel Industry (Protection) Act, 1924, was passed at a special session of the Central Legislature embodying all the recommendations of the Tariff Board except the one regarding Agricultural Implements. The Act received the assent of the Governor-General on 13th June, 1924.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6
				TINPLATE INDUSTRY. A specific duty of Rs. 60 per ton. WIRE AND WIRE NAIL INDUSTRY. A specific duty of Rs. 60 per ton on all wire except barbed and stranded fencing wire which would continue to be subject to 10 per cent. *ad valorem.* A specific duty of Rs. 60 per ton on wire nails. AGRICULTURAL IMPLEMENTS. The *ad valorem* duty to be raised to 25 per cent. on picks, powrahs or kodalis and hoes. LOCOMOTIVE BUILDING INDUSTRY. Protection not recommended. STEEL CASTINGS. No specific recommendation was made. ENAMELLED WARE INDUSTRY. No recommendation was made.	
2.	Oct. 5, 1923.	*President:* G. Rainy. *Members:* P. P. Ginwala, V. G. Kale.	Sulphur.	The Board recommended that the import duty on all kinds of sulphur be removed.	Duty removed with effect from 9th June, 1924.
3.	April 10, 1924.	Do.	Paper and Paper Pulp Industries.	The Board recommended a specific duty of one anna a lb. on all writing paper and on all printing paper other than newsprint containing 65 per cent. or more of mechanical pulp. They also recommended that Government should assist the industry by an advance of capital to the extent of not more than Rs. 10 lakhs to the India Paper Pulp Company from their own resources or by the guarantee, in respect of both principal and interest, of a public issue of debentures in order that the possi-	The Bamboo Paper Industry (Protection) Act, 1925, was passed in September embodying the proposals of the Board regarding the duty but not the financial assistance, in lieu of which, the period of protection recommended, by the Board was enhanced by 2 years, *i.e.*, from 5 to 7 years.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				bilities of manufacture of paper by the sulphite process might be fully explored.	
				The Carnatic Paper Mills which intended to make paper from bamboo by the Soda process might also be assisted with capital in the same manner as the India Paper Pulp Company provided the technical advisers of the Government of India were satisfied that the scheme had reasonable prospects of success.	
4.	April 10, 1924.	*President:* G. Rainy. *Members:* P. P. Ginwala, V. G. Kale.	Printer's Ink Industry.	The Board was of the opinion that an increase in the Custom's duty on imported printer's ink from 2½ to 5 per cent. *ad valorem* would meet the case.	Government accepted the proposal.
5.	April 10, 1924.	Do.	Magnesium Chloride Industry.	In the considered opinion of the Board, the claim to protection was not held to be made good.	Government agreed with the Board's conclusion.
6.	April 10, 1924.	Do.	Cement Industry.	The main conclusions of the Tariff Board were— (1) The cement industry in India possessed natural advantages in an abundant supply of all raw materials and was at no disadvantage in regard to labour. (2) Though the consumption of cement in India had grown with great rapidity, it had not kept pace with production which had increased considerably. (3) The price of cement in India was unremunerative which was due entirely to internal competition. (4) The industry was in virtual possession of the up-country market over a large part of India which was small compared to the demand in the ports. (5) Four-fifths of imports came from U. K. Consumers would not purchase Indian cement unless the price was markedly lower.	The Governor-General-in-Council was satisfied that there was no justification for the intervention of Government and therefore did not propose to take any action on the Report.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				(6) Cement produced in India was generally of very good quality.	
				(7) Notwithstanding the remoteness of the Indian cement works both from coalfields and from the ports, the industry would eventually be able to meet world competition at the ports without special assistance.	
				(8) The difference in price at which Indian cement was likely to displace British was estimated to be Rs. 8 a ton in Bombay and Rs. 12 in Calcutta.	
				(9) It was considered desirable that assistance should take the form of bounties which would be payable on cement consigned to and *via* the four great ports and their adjacent areas.	
				(10) The 15 per cent. *ad valorem* duty should be converted into a specific duty of Rs. 9 and declared prohibitive.	
				(11) Two schemes having different scales of bounties were drawn up, but whichever scheme was adopted, it should not come into force until the Government of India were satisfied that the price of Indian cement in the ports was in such a relation to the price of imported cement that the payment of bounties would not lead to a reduction in the price of Indian cement.	
7.	Oct. 8, 1924.	*President:* G. Rainy. *Members:* P. P. Ginwala, V. G. Kale.	Steel Industry (urgent enquiry).	As a result mainly of a heavy fall in the sterling prices of Continental steel and of the maintenance of exchange in the neighbourhood of 1s. 6d., the Board definitely held that the Steel Industry (Protection) Act had so far failed to achieve its purpose and recommended heavy increases on fabricated articles, which were as follows :	Government accepted the finding of the Board that the protection given by the Act had been insufficient and that further protection was necessary, but in view of the fact that the recent duties had brought in more revenue than was anticipated and also in view of the fact that the imposition of further duties would entail a burden

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				(see below)	on the consumer out of proportion to the benefit derived by the industry, they thought that a bounty of Rs. 20 per ton on 70 per cent. of the total weight of steel ingot subject to a maximum of Rs. 50 lakhs would meet the needs of the case. The bounty was given from 1st October, 1924 to 30th September, 1925. The proposal of Government to grant bounties was warmly approved by the Board.

Class of material.	Duty as per 1924 Act	Duty proposed.	
UNFABRICATED IRON & STEEL.			
Steel bars	40	75	
Iron bars	35	65	
Steel structural sections	30	65	
Iron structural sections	20	50	
Plates	30	55	
Black sheet	30	52	
Galvanised sheet	45	78	
Tinplate	60	104	
Rails and fish-plates, medium and heavy	14	80	
Rails and fish-plates, light ...	40	75	
FABRICATED IRON AND STEEL MISCELLANEOUS.			
Fabricated structures	25% *ad valorem.*		25 % *ad valorem.* *plus* Rs. 60 per ton.
Coal tubs, etc., and built up tubs ...	25 ,, ,,		25 % *ad valorem.* *plus* Rs. 47 per ton.
Fabricated steel beams, channels, angles, etc.	25 ,, ,,		25 % *ad valorem.* *plus* Rs. 54 per ton.
Fabricated iron, angles, etc. ...	15 ,, ,,		15 % *ad valorem.* *plus* Rs. 44 per ton.
Fabricated plates	25 ,, ,,		25 % *ad valorem.* *plus* Rs. 41 per ton.
Fabricated sheets	15 ,, ,,		15 % *ad valorem.* *plus* Rs. 40 per ton.
Spikes and tie bars ...	Rs. 40 per ton		Rs. 75 per ton.
Switches and crossings	25% *ad valorem.*		25 % *ad valorem.* *plus* Rs. 35 per ton.
Wire nails	Rs. 60 per ton		Rs. 90 per ton.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
8	June 18, 1925.	*President:* G. Rainy. *Members:* J. Matthai.	Steel Industry.	The main recommendations of the Board were as follows :— (1) Payment of a bounty at the rate of Rs. 18 per ton on 70 per cent. of the weight of steel ingots produced in India between 1st October, 1925, and	A Resolution was adopted in the Legislative Assembly in September which provided : (1) a bounty of Rs. 12 per ton on 70 per cent. of the total weight of ingots made in each month : the total amount for the 6 months ending 31st

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6
				31st March 1927, subject to a limit of Rs. 90 lakhs. (2) Grant of rebate to the Tinplate Company of the Customs duty paid by them on tin imported for the manufacture of tinplate. (3) Raising of protective duty on imported tinplate from Rs. 60 to Rs. 89 per ton. (4) Protective duty on fabricated steel other than the kinds specified under other heads from 25 to 32½ per cent. *ad valorem*. (5) Protective duty on such component parts of steamers, launches and other vessels for harbour and inland navigation as are made of fabricated steel to remain at 25 per cent. *ad valorem*. (6) Imposition of a duty of 40 per cent. *ad valorem* on tipping wagons, coal tubs, and switches and crossings. (7) Amendment of the Steel Industry (Protection) Act to empower the Government of India to sanction the payment of bounties on railway wagons and carriage underframes subject to a maximum limit of Rs. 24 lakhs in 1925-26 and Rs. 20 lakhs in 1926-27. (8) Cessation of payment under section 4 of the Steel Industry (Protection) Act of bounties on railway wagons with effect from 1st April, 1926. (9) A public announcement to be made of all bounties sanctioned on wagons and underframes.	March, 1926, to be Rs. 18½ lakhs and for the year ending 31st March, 1927, Rs. 41½ lakhs. (2) Bill No. 29 of 1926 amended the Steel Industry (Protection) Act of 1924 and provided for (*a*) bounties to the extent of Rs. 13,60,000 on iron or steel wagons ordered during the financial year commencing on 1st April 1924: (*b*) bounties to the extent of Rs. 19,40,000 on iron or steel wagons and on railway carriage underframes ordered after 31st March 1925 and before the 1st April 1937. Resolution adopted in the Legislative Assembly, 17th February, 1926, was to the effect that supplementary assistance should be given to the tinplate industry in India (*a*) by increasing from Rs. 60 to Rs. 85 per ton the specific protective duty on all steel tinplates and tinned sheets including tin taggers and (*b*) by reducing the duty on tin, block, from 15 per cent. *ad valorem* to a specific duty of Rs. 250 a ton.
				SHIPBUILDING INDUSTRY.	
9.	March 28, 1925.	*President:* G. Rainy. *Members:* P. P. Ginwala, J. Matthai.		The Board recommended that the duty on the fabricated steel parts of ships and other inland vessels should be fixed at 10 per cent. but subject to the proviso that the duty was in no case less than Rs. 35 a ton.	Government accepted this finding of the Tariff Board but postponed legislation in regard to import duty on ships and other vessels for inland and harbour navigation till the results of the Statutory enquiry into iron and

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
					steel industry were known. In the meanwhile Government gave exemption to iron and steel in ships and other vessels imported for inland and harbour navigation from so much of the protective duties as was in excess of 10 per cent. *ad valorem* or Rs. 35 per ton whichever was higher. By the Steel Industry (Protection) Act, 1927, this compensation was reduced to Rs. 23 per ton.
10.	March 28, 1925.	*President:* G. Rainy. *Member:* J. Matthai.	Removal of import duty on spelter and enhancement of duty on imported galvanized hardware.	No recommendation was made for the imposition of a protective duty on imported galvanised hardware, but it was suggested that the revenue duty on imported zinc and spelter of all kinds should be removed.	On 3rd July, 1926, Government issued a resolution that the recommendation for removing import duty on spelter should be considered at the time of the next budget and in connection with further protection for Steel industry in 1927. Government accepted the Board's finding in regard to the non-imposition of a protective duty on imported galvanized iron ware.
11.	June 18, 1925.	*President:* G. Rainy. *Members:* P. P. Ginwala, J. Matthai.	Wire and Wire Nail Industry.	The Board had no proposals to make for the grant of supplementary protection, but thought that the handicap under which the industry suffered should be removed. Therefore they suggested that the Wire Company should be permitted to import wire rod subject only to a duty of 10 per cent. until 31st March, 1927. No case was made out for protecting the manufacture of nails as a separate industry using imported materials. Nor should any special concession be given to Messrs. Halley Brothers in respect of their manufacture of hackles.	Government accepted the findings of the Tariff Board.
12.	Sept. 30, 1925.	*President:* G. Rainy. *Members:* P. P. Ginwala, J. Matthai.	Coal Industry.	Majority and Minority Reports—both held that the case for a protective duty on all imported coal was not established. The Minority report, however, was for the imposition of a countervailing duty	The Government of India accepted the unanimous finding of the Board that the case for a protective duty on all imported coal had not been established. They also accepted the finding

30

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				on South African coal, which the majority did not support.	of the majority report that the imposition of a countervailing duty on South African coal was not advisable though justified on facts, reported by the Board.
				ROLLED STEEL INDUSTRY.	
13.	April 3, 1926.	*President:* P. P. Ginwala, *Members:* A. E. Mathias, J. Matthai.	Steel Industry (Statutory enquiry).	After reviewing the policy of protection, the Board expressed the view that the payment of bounties should no longer form part of the scheme of protection. As competition in certain products came almost entirely from U. K. and in others from U. K. and the Continent and as it was probable that the future prices would be fairly stable in the former and not in the latter, two scales of duties were proposed (*i*) basic duties fixed with reference to the price of British steel and applicable to all countries and (*ii*) additional duties based on the margin between British and Continental prices and applicable to non-British steel on the ground that they would best serve the interests of the country from all points of view. Anti-dumping duties were considered to be impracticable. By 1933-34, it was felt that the Indian industry should be able to meet British competition without assistance but not the competition from the Continent. The basic duties should remain in force for the whole period of seven years, whereas the additional duties might be altered according to the needs and requirements of the situation. The scheme of protection was not only adequate for the existing industry but also afforded scope for expansion. The scales of duties recommended involved a distinctly smaller amount of protection, but the low level of duties was justifiable only if the Government arranged to purchase the whole of their requirements of rails so	The Steel Industry (Protection) Act, 1927, was passed extending protection to the industry till 1933-34 and giving power to the Governor-General in Council to increase the duties if protection was rendered ineffective by any change in the price of imported steel. All the Board's recommendations were accepted by Government.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				far as they could be purchased in India. The Board were strongly of the opinion that power should be taken by the Governor-General-in-Council to ensure that proper provision for depreciation was made from time to time. FABRICATED STEEL. The Board considered it essential in the interest of the Indian industry that railways should encourage the use of Indian structural steel by revising the designs for bridges and other structures so as to permit of the utilization of the maximum amount of steel manufactured in India. As a result of the recommendations to a certain extent regarding the duties required on rolled steel, it was proposed that in place of the 25 per cent. *ad valorem* duty on fabricated steel, the basic duty should be 17 per cent. *ad valoum* and that an additional duty of Rs. 13 per ton should be imposed on fabricated steel imported from elsewhere than the United Kingdom. The duties proposed were as follows :—	

Product.	Basic Duty. Rs. per ton.	Additional Duty. Rs. per ton.
Rails 30 lbs. per yd. and over ...	13	...
Fishplates for above.	Revenue duty (minimum Rs. 6 per ton)	
Structural sections (including wrought iron)	19	11

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3		5	6

Product.	Basic Duty. Rs. per ton.	Additional Duty. Rs. per ton.
Bar and rod (including wrought iron) spikes and tiebars, rails under 30 lbs. per yard and fishplates for same ...	26	11
Plates ...	20	16
Ordinary sheets ...	35	24
Galvanised sheets	38	...
Steel sleepers ...	10	...
Fabricated steel structure ...	17% *ad valorem* (minimum Rs. 22 per ton.)	13
Coal tubs and tipping wagons	Ditto.	13

TINPLATE INDUSTRY.

The Board recommended a reduction of the duty from Rs. 85 to Rs. 48 per ton.

They were unable to support the claim that varieties of tinplate not manufactured in India should be exempt from the protective duty. From the economic point of view, discrimination in favour of Wales could not be made since it was with Welsh tinplate that the Indian product had mainly to compete.

The period of protection was fixed at seven years.

AGRICULTURAL IMPLEMENTS.

No recommendation was made because the application for protection was withdrawn.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				WAGONS AND UNDERFRAMES.	
14.	April 3, 1926.	*President:* A. E. Mathias. *Member:* J. Matthai.	Wagon Industry.	Under the stimulus of the bounty scheme which had been in force, the Wagon industry had made great progress and was now in a position to meet a large proportion of the normal demand. As a consequence of the reduction in the cost of raw material but largely of the decrease in costs resulting from large orders for a few standard types of wagons, the wagon manufacturers were able to meet foreign competition with the help of revenue duty only. The restriction in the demand for wagons had put the industry in a difficult position. Until the demand reached a total of 5,000 in terms of C—2 wagons, all orders should be placed in India by competitive tender from Indian manufacturers. COMPONENT PARTS: FORGINGS, STEEL CASTINGS AND SPRING STEEL, BOLTS AND NUTS. (i) *Forgings.* The manufacture of forgings should be regarded at present as merely a process incidental to the construction of wagons and not as a separate industry. When the demand became normal the same duty should be imposed on imported forgings as on wagons and underframes. During the next few years, orders for forgings should continue to be placed in India as far as possible and in comparing Indian with foreign prices an allowance of 2½ per cent. above the revenue duty should be made. (ii) *Steel Castings and Spring Steel.* The annual demand for steel castings was sufficient to permit of an economic output. Therefore the Board considered	Government accepted the findings of the Board.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				that a good case had been made out for protection.	
				The best and most economical method of extending help to the industry being by means of a bounty, the Board recommended the payment of a bounty of Rs. 2-8-0 per cwt. to the Hukumchand Electric Steel Works on all steel castings for railway wagons, underframes and locomotives, subject to a maximum of Rs. 1,80,000 during the period October 1st, 1927, to September 30th, 1930, no restriction being placed upon the amount to be paid in any one year.	
				The Board had no recommendations to make in respect of spring steel.	
				(iii) Bolts and Nuts.	
				The Board recommended a specific duty of Rs. 2 per cwt. on all bolts and nuts falling under Article 61 of the Statutory Tariff Schedule.	
				WIRE AND WIRE NAIL.	
				As wire rod for the manufacture of wire and wire nails would not be produced for another three years, the industry failed to qualify for protection. Therefore, the protective duty on wire and wire nails should be discontinued.	
15.	Oct. 2, 1926.	*President:* P. P. Ginwala. *Members:* A. E. Mathias J. Matthai.	Match Industry.	Tariff Board recommended the continuance of the duty of Rs. 1-8-0 per gross without limit to the period of duration and that the duty should be made protective. The conditions laid down by the Fiscal Commission were fulfilled.	Government of India accepted the findings of the Board that the Match Industry fulfilled the conditions laid down by the Fiscal Commission. Government agreed with the recommendation of the Tariff Board and imposed by the Match Industry (Protection) Act, 1928, a protective

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
					duty of Rs. 1-8-0 per gross on imported matches without any time limit. Government also accepted the finding that in the circumstances no action was called for against the Swedish Match Company on the ground of unfair competition. Government noted the Board's recommendation that, should developments indicate that the Company was acquiring undue control to the detriment of Indian industry, they should take steps to safeguard the industry.
16.	May 26, 1927.	*President:* A. E. Mathias. *Member:* J. Matthai.	Plywood and Tea Chest Industry.	The findings and proposals of the Board were as follows :— All the raw materials for the manufacture of plywood and of tea chests were available in India. The other conditions of the Fiscal Commission were also satisfied. It did not however appear that the manufacture of plywood products other than tea chests required any assistance. Owing to severe competition from imported tea chests, there was a danger of the local factories being forced to suspend manufacture unless assistance was given.	
				The measure of protection considered necesasry was 9 annas 10.6 pies which would be subject to slight further adjustment. The present import duty on all plywood articles other than tea chests and rubber boxes should remain unchanged. The duty on fittings of tea chests and rubber boxes and the linings of tea chests should remain unchanged. The import duty on plywood panels and battens of tea chests should be abolished. A specific export duty of 6 annas 6 pies per 100 lbs. of tea exported in foreign chests should be imposed.	Government accepted the findings of the Board, but they were unable to approve that protection should be given by an export duty. They decided to impose a duty of 30% on all forms of plywood and on the battens and corner pieces of plywood chests, and abolish the drawback.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				Of this sum 4½ annas per 100 lbs. of tea might be made over to the Indian Cess Committee and the Cess leviable be reduced by 2 annas per 100 lbs. of tea. The period of protection should be fixed at 5 years.	
17.	March 26, 1928.	*President:* P. P. Ginwala. *Member:* J. Matthai.	Oil Industry.	Both the majority and minority reports held that no case for the protection of oil industry was established, and therefore no action was called for.	Government of India agreed with the Board that no action need be taken for the time being.
18.	March 28, 1925.	*President:* P. P. Ginwala, *Member:* J. Matthai.	Manufacture of electric wares and cables.	The tariff proposals of the Board were that the duty on electrolytic copper rod known as "black rod" be removed and that a duty of 5 per cent. be imposed on rubber insulated electrical wires and cables other than those specified in Article 90A.	Government accepted only the proposal regarding the duty on rubber insulated wires and cables.
19.	Do.	*President:* A. E. Mathias. *Member:* J. Matthai.	Tariff equality in respect of the manufacture of camel hair, cotton and canvas ply belting.	COTTON BELTING. The 15 per cent. *ad valorem* duty on imported black proofing should be abolished and a duty of 5 per cent. *ad valorem* should be imposed on imported cotton belting. HAIR BELTING. The 15 per cent. *ad valorem* duty on imported black proofiing should be abolished and the duty on imported camel hair yarn should be reduced from 15 per cent. to 6 per cent. *ad valorem* and a duty of 5 per cent. *ad valorem* should be imposed on imported hair belting. CANVAS PLY BELTING. A duty of 5 per cent. *ad valorem* should be imposed on imported ply belting.	Government did not accept the Board's proposal to remove the duty on black proofing, but they agreed that the duty on cotton, camel hair and canvas ply belting should be increased. They also decided that the duty on imported camel hair yarn should be reduced from 15 per cent. to 5 per cent.
20.	Do.	*President:* A. E. Mathias. *Member:* J. Matthai.	Tariff equality in respect of the manufacture of printing type.	The Board recommended that a specific duty of one anna per doz. should be levied on printing type in place of the existing duty of 2½% *ad valorem*.	Government accepted the proposal and made the necessary alterations in the Act.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
21.	March 28, 1925.	*President:* P. P. Ginwala, *Member:* J. Matthai.	Tariff equality in respect of the manufacture of Manila Rope.	On grounds of principle as well as of administrative convenience, the Board thought that there was a good case for removing the duty on manilla hemp.	On 8th June, 1929, Government issued a resolution accepting the principle but proposed to give effect to it when financial conditions permitted. In July 1930, a duty of 15% on a Tariff Valuation of Rs. 30 per cwt. on raw hemp was imposed.
22.	May 19, 1927.	*President:* A. E. Mathias, *Member:* J. Matthai.	Changes in the Tariff entries regarding printing paper.	The Board's view was that the percentage of mechanical wood pulp should be calculated on the fibre content of the paper Newsprint and not on the total weight.	Government adopted the Board's view.
23.	Dec. 1, 1930.	Do.	**Steel rails.**	The Board considered that a price of Rs. 130 per ton of 90 lb. rails was not too high and that an addition of Rs. 7 should be made to the price of Rs. 130 for 115 lb. rails.	Government accepted the recommendations about 90 lb. rails and as regards 115 lb. rails an addition of Rs. 10 over and above the price of 90 lb. rails.
24.	May 15, 1930.	Do.	Tariff equality and protection for railway materials of 8 in number.	The recommendations were that a specific duty of Rs. 2-4-0 should be levied on fishbolts and nuts, ordinary bolts and nuts and dogspikes and a duty of Rs. 2 on rivets and gibs, cotters and keys per cwt. As regards chrome steel switches and crossings and stretcher bars, the exemption provided for in the Statutory Schedule should be removed and they should be made liable to the protective duty. But in regard to bearing plates, no action was called for.	Government accepted the recommendations.
25.	Sept. 30, 1930.	*President:* A. E. Mathias. *Member:* J. Matthai.	Additional protection for galvanized sheets.	It was the opinion of the Board that the Tata Company had made genuine effort to secure the results which were considered feasible. Lack of progress was due to causes beyond the control of the Company, *viz.*, strike and fall in rail orders on which hinged the scheme of protection. Thus the whole balance of the scheme was destroyed and it was of the utmost importance to find a fresh outlet for the ingot steel.	Government accepted the Board's finding and in Jan. 1931, the Assembly passed a resolution recommending the continuance of the duties mentioned in Government resolution up to 31st March, 1930.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				From that point of view the maintenance of or even an increase in the output of galvanized sheets became a pressing necessity and the Board recommended that the industry should be assisted by the imposition of an additional duty of Rs. 37 per ton under section 2 (1) of the Steel Industry (Protection) Act III of 1927 for the remainder of the protective period.	
26	March 28, 1925.	*President:* P. P. Ginwala. *Members:* A. E. Mathias, J. Matthai.	Removal of the revenue duty on pig iron.	The Board's conclusion was that no case had been made out upon which they could base any recommendations for the removal of the revenue duty on pig iron. In their opinion, no serious harm would be done to any consumer if the duty was retained until the statutory enquiry in 1933-34.	In their resolution dated 13th June, 1930, Government accepted the Board's finding.
27.	June 10, 1926.	*President:* F. Noyce. *Members:* Rai Bahadur Harikissen Kaul, N. S. Subba Rao.	Cotton Textile Industry.	The main conclusions of both the majority and the minority reports were as follows:— The most striking feature in the history of the industry from 1899 to 1922 was the expansion in every direction, especially in weaving. Other important features to be noted are the loss of the export trade to Japan, decreasing dominance of Bombay and increasing share of Japan in the import trade. The depression was felt more in Bombay than elsewhere and therefore the demand for protection was more insistent in that centre. The altered relation between agrarian and general prices since 1920 contributed greatly to the depression. The course of American prices was also equally a contributory factor. The competition of Japanese yarn affected adversely the prices of Indian yarn. In cloths of lower counts, on the other hand, the Indian mills were able to hold their own. The same thing could not	On 7th June, 1927, the Government of India issued a Resolution disagreeing with the recommendation of both the majority and the minority reports about the additional duty. They also rejected the proposal for a bounty on the spinning of finer counts 32s. and higher. And they said they were unable to express any opinion until they had ascertained the views of the local Government and of the Cotton Mill Industry in Bombay on the proposed establishment of combined bleaching, dyeing and printing works. The removal of the import duty on machinery and raw materials of industry having been in accord with the policy of Government, they agreed with the recommendation of the Board that the import duty on cotton textile machinery and mill stores should be remitted for a period of three years. The publication of the above resolution led to strong protests and deputations

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				be said of cloths of counts of 30s. and above. The depreciation of the Japanese exchange stimulated exports from Japan to India and double-shift working gave the Japanese industry an advantage of 4 per cent. Conditions of labour in Japan were inferior to those in India; and, therefore, it was held there was unfair competition between Japan and India. The stabilisation of the rupee at 1s. 6d. at this time rendered the problem presented by the disparity between prices and wages more pronounced. Over-capitalisation accentuated the depression. Difficulties of finance were not a negligible factor. Bombay was under substantial disadvantages as compared with other centres in regard to cost of fuel, power, water, labour, etc., but these appeared to be rather more than off-set by advantages in regard to cost of stores, insurance, office expenses, etc. It was impossible to express a definite opinion as to how far foreign competition was a permanent cause of the depression. Mills with only spinning departments were hit by the prevailing depression more than others. The Board as a whole made many recommendations for improvement in organisation, management and control. The most important unanimous recommendation was that Government should contribute towards the establishment of a combined bleaching, dyeing and printing works in Bombay. In the opinion of the majority though no justification existed for a differential duty against Japan on the ground of depreciated exchange, a moderate amount of protection both for yarn and cloth was necessitated by the labour conditions in Japan. Any additional	to the Viceroy, and the Government modified their decision. The result was the Indian Tariff (Cotton Yarn Amendment) Act 1927, under which a duty of 5% *ad valorem* or 1½ annas a pound, whichever was higher, was levied on all imported cotton yarn. The industry continued to decline and as a result of Mr. G. S. Hardy's report and Conference with Millowners the Cotton Textile Industry (Protection) Act, 1930, was passed, under which protective duties on a differential basis were imposed on cotton piece-goods for a period of three years.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				duty on yarn was undesirable from the point of view of the handloom industry.	
				The fact of unfair competition from Japan having been established, the best way of granting protection to the industry was by the imposition of an additional duty of 4% on all cotton manufactures. The question of a differential duty against Japan was considered undesirable.	
				There was no justification for an export duty on cotton.	
				The concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted.	
				A stimulus to the production of goods of higher quality should be provided in the form of a bounty on the spinning of higher counts, 32s. and over, to the extent of 15 per cent. of the total working spindleage in a mill in British India.	
				The appointment of Trade Commissioners in Basra and Mombasa was pressed.	
				Before the appointment of a Trade Commissioner, a commercial mission should make a survey of the potentialities of export markets.	
				No case had been made out for a special treatment of the hosiery industry.	
				While agreeing with most of the recommendations of the majority, the President (Mr. Noyce) was of the opinion that there should be no bounty on the spinning of higher counts.	
				He also was of the opinion that the fact of unfair competition having been proved against Japan, the additional duty of 4 per cent. which was what was required in the shape of protection should be imposed only on cotton piece-goods coming from Japan.	

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
28.	July 25, 1932.	*President:* Dr. J. Matthai. *Members:* F. I. Rahimtoola, G. T. Boag.	Cotton Industry.	The Board recommended that Government should immediately examine the possibility of using their powers under Section 3 (2) of the Tariff Act in the case of piecegoods imported from a country with a depreciated exchange to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian Industry. If this was not accepted, then the necessary additional assistance should be provided by raising the *ad valorem* duty on all cotton piecegoods of non-British origin from 31¼ per cent. to 50 per cent. in view of the Indo-Japanese Trade Convention in existence. No proposal was made regarding the specific duty on plain grey goods because it was thought that Section 3 (5) of the Tariff Act restricted the power of the Governor-General.	Government accepted the Board's recommendation in respect of the *ad valorem* duty on cotton piecegoods not of British manufacture. As regards the specific duty, Government decided that the Governor-General-in-Council had power to alter the duty and raised accordingly the duty from 3½ annas to 5¼ annas per lb.
29.	April 9, 1932.	*President:* J. Matthai. *Members:* F. I. Rahimtoola. G. T. Boag.	Cotton Industry.	The Tariff Board found an increase in the number of mills at work in India as also in the production of both yarn and piecegoods. The decline in the imports of yarn and piecegoods of all description was also noticeable. There was a serious falling off in the export trade in coloured goods since 1926-27. The claim to substantive protection of an industry must be judged both by the conditions laid down by the Fiscal Commission and by the national importance of the industry. India had a virtual monopoly of short staple cotton and also produced enough long staple cotton to meet the country's requirements. Majority of mills in India would find it impossible, without protection, to realise any return on capital or to find adequate sums for depreciation and in many cases	On February 10, 1934, a Bill for amending the Cotton Textile Industry (Protection) Act, 1930, was introduced. The Government of India agreed with the Board's conclusion that the Cotton Textile Industry had established a claim to substantive protection; but they found it necessary to review the measures of protection in the light of events subsequent to the submission of the report by the Board. The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between representatives of the Indian and United Kingdom Textile Industry had introduced entirely new factors into the situation. The Bill was intended to give statutory effect to the aforementioned agreements. Opportunity was also taken by Government to in-

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				even to meet the whole of their out-of-pocket expenses. Continued depression of the industry in Bombay was bound to depress prices throughout the country. The introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than the fall in the prices of raw cotton. The reduction of purchasing power diverted the demand from high-priced to low-priced goods. The withdrawal of protection would cause a serious set back to the industry. The only practicable method of fixing the measure of protection was to base it on the difference between the fair-selling price and the price actually realised by the Indian mill. Effective protection could only be given by specific duties. Any system of specific duties should be based on as broad a classification as possible. It would be unnecessary to have more classes than four, (1) plain grey, (2) bordered grey, (3) bleached, (4) printed, dyed and coloured woven with duties of 5 annas, 5 annas 3 pies, 6 annas and 6 annas 4 pies per lb., respectively, or the *ad valorem* rate of revenue duty whichever was higher. The *ad valorem* duty was intended to protect the revenue of Government. The specific duties proposed would be applicable to cotton goods of British and non-British manufacture. A reduction of the specific duty on yarn to one anna a pound and its restriction to counts 50s. and below was recommended. The claim to protection of subsidiary industries such as hosiery industry and braid-making industry was analogous with that of the engineering and other industries whose raw material is rolled steel.	corporate into the Bill their decisions on the recommendations of the Board on the Sericultural industry.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				The Board recommended that protection be given by (1) a specific duty of Re. 1-8-0 a dozen on underwear including knitted garments of all descriptions and underwear made from woven fabrics; (2) by a specific duty of 8 annas a dozen pairs on socks and stockings; (3) by a specific duty of 6 annas a pound on knitted fabrics in the piece and (4) by a specific duty of 6½ annas a pound on braids known as "Ghoonsis" or "Muktakesis."	
				Piecegoods made entirely or in part of artificial silk should be subject to a specific duty of Re. 1-8-0 a lb. But if the proportion of artificial silk in the mixture did not exceed 15 per cent. of the total weight, the goods should be assessed as coloured cotton piecegoods or woolen manufactures.	
				A duty of 15 per cent. should be imposed on all imported starch.	
				It was considered desirable that the Merchandise Marks Act should be amended without delay so as to penalise dishonest practices.	
				Legislation was desirable in order to define the extent and nature of the control and supervision to be exercised by the directors and shareholders over managing agents. A Committee should be appointed to report on the manner in which the Company Law should be amended.	
30	Dec. 3, 1932.	*President:* F. I. Rahimtoola. *Members:* G. T. Boag, H. R. Batheja.	Sericultural Industry.	The Board recommended an *ad valorem* duty of 80 per cent. on silk goods and 60 per cent. on silk mixtures. They also recommended that all silk yarns including thrown silk and spun silk be liable to the duty recommended for raw silk, and that a specific duty of Re. 1 a pound be levied on artificial silk yarn.	Government action was embodied in the Textile Industry (Protection) Act, 1934.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
31.	May 20, 1930.	*President:* A. E. Mathias. *Members:* J. Matthai, F. I. Rahimtoola.	Sugar Industry	The Board was satisfied that the three conditions laid down by the Fiscal Commission were fulfilled by the Sugar Industry and that a case for protection had been established. The agricultural aspect of the case for protection was the most important. In the national interests, the area under sugarcane should not diminish and a fresh outlet should be provided for cane by encouraging the expansion of the white sugar industry. Unless steps were taken to develop the white sugar industry, the Board was of opinion a disastrous slump in the gur market was probable which would seriously affect the agricultural classes, disorganise the agricultural system and involve the abandonment of better cane cultivation in large areas. The khandsari system of sugar manufacture was of great importance in the Rohilkhand tract. Both from the point of view of outlet for cane and from the point of view of the position of cultivators in Rohilkhand, the continuance of this branch of industry must be secured. The area under cane in India over a series of years had remained very steady. The main product of sugarcane in India was gur, or which between $2\frac{1}{2}$ and 3 million tons were consumed annually. There were as many as 29 factories capable of manufacturing white sugar direct from cane and there were also 14 refineries which manufactured white sugar mainly from gur. There was a remarkable increase in the efficiency of extraction of Indian factories since 1920. Much progress was made in the last ten years at the Sugar Research Station at Coimbatore and a number of varieties had been evolved which were particularly suitable for Northern India.	The Government of India accepted the recommendation of the Board that a single rate of duty should apply to all classes of sugar. As the period of 15 years was considered to be unduly long, it was decided to propose that a protective duty of Rs. 7-4-0 per cwt. be imposed on all classes of sugar until 31st of March, 1938, and that provision be made in the statute for a further enquiry before the end of that period. The Government did not propose to accept the Board's recommendation that power should be taken to impose an additional duty in the event of the price of imported sugar falling below a certain level. The Board's recommendation regarding the duty on molasses was accepted. A resolution embodying the above decision sof Government was issued on 30th January, 1932, and the Sugar Industry (Protection) Act received the assent of the Governor-General on 8th April, 1932.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				Steps should be taken to reduce the cost of production of gur particularly in Bombay and Madras by the improvement of methods of cultivation and by the introduction of improved varieties of cane after investigation at the Research Station at Coimbatore. Sugarcane was the only important agricultural product, the price of which was not determined by world conditions and Government had it in their power at this time of severe agricultural depression to afford substantial assistance to the agricultural classes by protecting the sugar industry. Any scheme of bounties was on administrative grounds impracticable. The Board therefore proposed that assistance should be by way of duty. In order to enable the industry to face initial difficulties and to safeguard the position of the manufacturer of indigenous sugar by the bel method, the Board recommended that for the first seven years the duty should be fixed at Rs. 7-4-0 per cwt. and that for the next eight years at Rs. 6-4-0 per cwt., the period of protection being for 15 years. The Board also proposed that a single rate of duty should be applied to all classes of sugar including sugarcandy. They had no recommendations to make regarding the application of Messrs. Carew & Co., for the removal of tariff inequality on methylated spirit. Protection was unlikely to affect seriously the industries using sugar. Increased sums should be allotted to development and research work since without such measures the whole purpose of the protective scheme was likely to be delayed, if not defeated. They recommended a grant of not less than Rs. 10 lakhs annually to the Imperial Council of Agricultural Research.	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				The Tariff Board considered the scale for cane payment recommended by the Indian Sugar Committee, *viz.*, a sliding scale based on price for cane equal to half the price of sugar subject to a minimum of 6 annas per maund as generally suitable, but they thought that it should be increased by one anna per maund in the first years of protection.	
32.	July 25, 1929.	*President:* Sir P. P. Ginwala up to 26-3-30. A. E. Mathias from 27th March, 1930. *Members:* A. E. Mathias up to 26-3-30. Dr. J. Matthai.	Salt Industry.	Tariff Board held that it would be necessary to increase the duty from Re. 1-4-0 to Re. 1-6-0 per maund to bring the import price of Rs. 53 to the level of the fair selling price of Rs. 66 for the Indian industry. This would involve an additional burden of nearly Rs. 20 lakhs on the Bengal consumer. Considering the limited extent to which the national interests would be served by the establishment of salt industry at Okha or Karachi, to expect the Bengal consumer to shoulder a burden of this magnitude would be entirely unreasonable, but a different conclusion might be reached if there was a reasonable prospect of securing stability of price. On economic grounds the case for the imposition of a protective duty could not be sustained. Nor could the proposal for any remission of the excise duty be justified. Maintenance of quality could not be guaranteed either by the imposition of duty or by the grant of bounty. Their conclusion was that it was not in the national interests to encourage the production of Indian seaborne salt at anything more than a price of Rs. 66 per	The Government of India accepted the finding of the Board and appointed a Salt Survey Committee. After considering that report the Salt (Additional Import Duty) Act 1931 was passed and it received the assent of the Governor-General on 5th April 1931. An additional duty of 4 annas 6 pies per maund was imposed under that Act on all salt imported into British India but produced outside India.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				100 maunds and the only method of encouragement which could be recommended was stabilization of prices over a long period by some form of organized control.	
				The Board held that India could be made self-supporting in respect of salt. Khewra and Sambher provided sources of supply of white crushed salt for the Bengal market. Therefore, they recommended that a detailed survey should be made of these possible sources.	
				As in the case of seaborne salt, so in the case of rail-borne salt, they thought, if the manufacture of white crushed salt was to be encouraged in India, the only ultimate solution was the introduction of some form of organised control.	
				The advantages of such a control were many. In the first place, the Indian manufacturer would get a reasonable price which would also be fair to the consumer. In the second place, exploitation by combines of foreign manufacturers could be stopped. In the third place, Government would have an additional source of supply to make good shortages in Upper India.	
				The control must ultimately be in the hands of a Marketing Board constituted on the lines of a public utility company. But Government should at once assume control of imported salt in the interests of the industry as well as the consumer and standardise the qualities of common crushed and superfine salt	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
33.	July 16, 1928.	*President:* Sir P. P. Ginwala. *Members:* A. E. Mathias, J. Matthai.	Heavy Chemical Industry.	The Tariff Board took the sulphuric (Chamber) acid as the basis of the whole group of chemicals considered in their report. The heavy sea freight on acids afforded a high natural protection to the manufacture of sulphuric, hydrochloric and nitric acids locally, but as there was no freight advantage in respect of salts, their manufacture in competition with other highly developed countries was difficult. The market in the country was sufficiently big to warrant production on an economic scale. The machinery required was simple and easily handled by Indian labour. In respect of raw materials, though India possessed several of those required, sulphur which was the most important raw material was lacking, but its absence was not considered a bar to the grant of protection. The chemical industry was a key industry and one of national importance and therefore the Board considered that the industry should be protected. At the moment, the production being on a small scale, the costs were high and could not be accepted as a suitable basis for protection. The industry should reorganise itself and attain bigger production so as to bring down the cost of production. The protection required should be given in the form of specific duties which represented substantially the present level of revenue duties. The inter-connection of the various duties suggested was emphasised. No limit was fixed to the period of protection, but another enquiry should be made after 7 years. Realising the close connection between the chemical industry and the manufacture of artificial fertilisers, the Board held that the manufacture of superphosphate	In a resolution issued on 5th September, 1931, the Government of India proposed to give effect to the protective duties recommended by the Board for the period up to 31st March, 1933. They did not agree with the Board in the matter of railway rating policy. They also thought that the question of assisting an industry not yet in existence by means of a bounty required further consideration. In the same resolution the Government of India said that they were prepared to discuss with representatives of the Chemical industry the question of developing the industry. Again in a resolution issued on the 1st April, 1933, summarising the position of the industry, the Government of India said that there was no indication of any intention on the part of chemical manufacturers to work for more economic production by a combination of interests; that the great majority of opinions were unfavourable to any scheme of State assistance for the manufacture of superphosphate and that there was no chance at any time of the superphosphate industry, if started, being able to stand competition from other countries unassisted. The Government of India, therefore, finally decided not to place any proposals before the Legislature for the continuance of protection of the Heavy Chemical Industry. The protective duty on magnesium chloride, however, would remain unaffected till March, 1939.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				was a suitable industry for the grant of protection, which should take the form of a bounty. On a careful examination of the question the Board found that a policy of reduction of railway freights with a view to facilitate the formation of a combine would be not merely in the national interests but also in the interests of railways themselves.	
34.	July 16, 1928.	*President:* Sir P. P. Ginwala. *Members:* A. E. Mathias. J. Matthai.	Magnesium Chloride Industry.	The Board recommended the imposition of a specific duty of 7 annas a cwt. for 7 years.	The Government of India accepted the recommendation and imposed the duty in 1931.
35.	March 26, 1931.	*President:* J. Matthai. *Members:* F. I. Rahimtoola. G. T. Boag.	Paper and Paper Pulp Industries.	The main recommendations made by the Board were as follows: (1) Protection to the bamboo paper and pulp industry should be continued by means of a duty. (2) The duty on imported paper should be imposed at the same rate and on the same articles as at present. (3) A duty should be imposed on imported wood pulp at the rate of Rs. 45 per ton. (4) The protective duties on paper and pulp should remain in force for a period of seven years from the 1st April, 1932. (5) A conference should be held with representatives of the different interests to decide the proper definition of the classes of paper to be subject to the protective duty. (6) Compliance by the paper-making companies with the principles stated in para. 292 of the Fiscal Commission's report should be made a condition precedent to the grant of concessions for the exploitation of forests and to purchases of paper by Government.	Government accepted the proposals of the Board regarding the duties to be imposed on various kinds of paper and also on pulp. The period of protection fixed by the Board was also approved. The Conference proposal made by the Board for the definition of articles chargeable with protective duty did not receive the assent of Government. The conditions laid down in paragraph 292 of the Fiscal Commission's report would, it was explained by Government, apply only to new companies and not to companies already in existence at the time of the consideration of the question of granting assistance. The Bamboo Paper Industry (Protection) Act was passed in 1932.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				(7) The Paper Pulp Section of the Forest Research Institute should be developed and should undertake co-ordination of experimental work on bamboo.	
36.	May 15, 1930.	*President:* A. E. Mathias, *Member:* J. Matthai.	Gold Thread Industry.	The Board considered that a case had been made out for the protection of the gold thread industry and recommended that the duty should be fixed at 50 per cent. *ad valorem* applying alike to real gold thread, lametta, manufactures from silver wire such as spirals, spangles, etc., and all colourable imitations. They also recommended the period of protection to be fixed at 10 years.	The Government accepted the findings of the Board and the Gold Thread Industry (Protection) Act came into force in 1931. The duty applicable to the various articles mentioned by the Board was 62½ per cent. *ad valorem*.
37	May 7, 1931.	*President:* J. Matthai. *Members:* F. I. Rahimtoola, G. T. Boag.	Wire and Wire Nail Industry.	The Board recommended a specific duty of Rs. 45 per ton on wire as well as wire nails. They also considered that the existing arrangements for exempting wire rod from duty should be continued.	Government accepted the finding of the Tariff Board and imposed a duty of Rs. 45 per ton by the Wire and Wire Nail Industry (Protection) Act, 1932.
38	May 11, 1931.	*President:* J. Matthai. *Members:* F. I. Rahimtoola. G. T. Boag.	Electric Wires and Cables Industry.	The Board found that the industry did not satisfy the conditions laid down by the Fiscal Commission and, therefore, had no recommendations to make, regarding the application for protection submitted by the Indian Cable Company.	Government accepted the finding of the Board.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government 6
40	Aug. 26, 1933.	*President:* J. Mathai. *Members:* G. Wiles, G. A. Natesan.	Steel Industry.	The main conclusion of the Board was that the 1926 Scheme of protection had proved successful and that the expected reduction in past had been effected and that the stage has arrived when "on all articles sold by the Steel Company in competition with Britain imports either more protection duty is required at all, or if any one required the rates are lowered than the normal rates of revenue duty." The Board also added that, if continental steel products were sold at fair prices the Indian industry could well stand the competition and that the duties on Continental goods which were needed were more in the nature of anti-dumping than protecting duties.	
				The Board recommended a duty of Rs. 43 per ton on the imports of untested structurals from the continent ; Rs. 10 per ton on British bars (tested); Rs. 39 per ton on continental untested bars; Rs. 25 per ton on untested plates from the continent. On rails, fish plates, structurals and tested plates from United Kingdom, the Board recommended no duties. On Blacksheets (tested) from U. K. the Board recommended Rs. 11 per ton and Rs. 32 per ton on untested Blacksheets from the Continent. Galvanised sheets were recommended for an import duty of Rs. 10 per ton irrespective of the country of origin. On imports of fabricated steel from countries other than Great Britain, a duty of Rs. 40 per ton was recommended. As regards tinplates, the Board	The Government of India accepted the conclusion of the Tariff Board but preferred equalising duties to the removal of the revenue duties on the imports.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				favoured a duty of Rs. 38 per ton on the British product and Rs. 57 per ton on the continental. On imports of wire nails Rs. 25 on the British goods and Rs. 60 on the foreign. A duty of Rs. 57-8 per ton is recommended on imports of cast iron pipes from foreign countries, while the British goods were to be duty free.	
				The more important part of the Tariff Board Report is the recommendation that even the revenue duties on rails and tested structurals and plates should be removed or in the alternative counterveiling excise duties should be levied on internal production.	
41	11th May, 1931.	*President* : J. Matthai. *Members* : F. I. Rahimtoolah. G. T. Boag.	Glass Industry.	(*i*) Sheet and Plate glass including figured and ribbed glass—Rs. 4 per 100 sq. ft. or 25 per cent. *advalorem* whichever is higher.	The report submitted in 1932 was released for publication only in 1934.
				(*ii*) Bangles, beads and false pearls—50 per cent. *ad valorem*.	
				(*iii*) Glass and glassware of the kinds specified below—50 per cent. *ad valorem*.	
				(*a*) Containers other than those containing merchandise packed according to ordinary trade usage—bottles and phials of all descriptions including soda and other aerated water bottles ; jars of all kinds including stopped jars.	
				(*b*) Illuminating ware—Chimneys ; globes ; shades ; chandeliers ; domes lamps wholly or partly made of glass.	

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government 6
				(c) Table and domestic ware—Tumblers and jugs; dishes; bowls; plates, decanters; stands; vases; wine glasses; ink stands; paper weights; ash trays; pepper, salt and winegar bottles. (d) Miscellaneous Tables roofiing and floor.	The Government rejected the recommendations of the Board and have only allowed a rebate of duty on important soda-ash used by the glass industry if the same is imported by a British country.
				Carbon Brushes The Board concluded that as carbon blocks are subject to a duty of 25% *ad valorem*, carbon brushes are charged only at the rate of 10%, Tariff inequality exists and that the duty should be reduced to 19% in order to remove such inequality. The Board recommended an even lower rate of 15% to make up for other handicap.	The Government accepted the conclusion of the Board and proposed to effect a reduction in duty by notification under section 23 of Sea Cusoms Act after discussion in the Assembly.
				Healds and Reeds The Board concluded that Tariff inequality exists also in the case of Healds and Reeds and recommended that the duty on healds and reeds should be raised from 10% to 15%.	The Government of India declined to accept the conclusions of the Board on the ground that the use of imported yarn for the manufacturing of healds and reeds can make up for the higher cost of other raw material.
42.	May 25, 1935	*President* : F. I. Rahimtoolah *Member* : H. R. Batheja	Classification of paper	. . . Hard-sized duplicator, hard-sized White and Buff or Badami mechanical paper, suitable for writing, to be classed as Writings. Cover paper, whether white or coloured, in any furnish; Machine Glazed Pressings, and Machine Glazed Wrappings (suitable for use as Cover paper), substance above 85.2 grammes per square metre; Cartridge Paper, whether white or coloured, substance below 85.2 grammes per square metre; Soft-sized Duplicator paper; Soft-sized White and Buff or Badami Mechanical paper above 26.6 grammes per square metre, to be treated as Printing papers. Envelopes made of writing paper to be assessed under Item 44 (3) (a) of the Tariff Schedule.	The Government of India accepted the recommendation of the Board generally, but considered that such of them as required to be given effect to by legislation, viz. the recommendations in respect of envelopes and coated papers, were not so important as to justify the introduction of a bill specially for that purpose. Government, therefore, have proposed to place proposals to implement them before the Legislature. Regarding other recommendations of the Board, executive instructions have been issued to the Customs Department. Government also decided to hold a departmental enquiry as to whether the continuance of the surcharge on the Paper Protective duties is any longer justifiable.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
43.	June 25, 1936.	*President :* Sir Alexander Murray. *Members :* Mr. F. I. Rahimtolla, Dewan Bahadur A. Ramasami Mudaliar.	Cotton Textile Tariff. To review and recommend the level of the duties neccessary to afford adequate protection to the Indian cotton textile industry against imports for the U. K.	The report recommended the reduction of the duty on grey goods from 25 per cent. to 20 per cent. ad valorem and the duty on bordered grey bleached and coloured goods to 20 per cent. The duty on yarn was reduced similarly to 5 per cent. ad valorem.	Given effect to immediately by a notification under Sec. 4 of the Indian Tariff Act.
44	March 1937	*President :* Sir G. T. H. Barker. *Members :* Mr. F. I. Rahimtoola and Dr. L. C. Jain.	Sugar Protection.	To report upon the renewal of the protective duties to lapse in 1938.	The Board submitted its report in February, but Government did not make public the findings of the Board. The existing duties were renewed for one year by an act passed during the budget session of 1938.
45	October 1937	*President :* Sir G. T. H. Barker. *Members :* F. I. Rahimtoola and H. R. Batheja.	Import duties on Paper.	The interim report recommended the abolition of the surcharges on the port duties and the revision of the duties on newsprint and mechanical pulp. Final Report to be submitted later.	Government gave effect to the recommendations in June 1938, immediately after the publication of the preliminary report.
46	June 1938	*President :* N. J. Roughton. *Members :* F. I. Rahimtoola and N. N. Anklesaria.	Silk Industry.	The enquiry is still in progress and evidence is being taken.	...

INDUSTRIAL SECTION:

THE INDIAN COAL INDUSTRY

In importance, the coal industry in India can hardly compare with cotton, or jute, or with the pure agricultural staples. In both raw cotton and cotton goods our production is a substantial portion of the world output; in jute we have a practical monopoly; and the agricultural staples have a significance in the national economy apart from, and independent of, their relation to the output, and markets of the rest of the world. But in coal our annual production is an average of 20 million tons, out of a world production of about 1,250 million tons. The industry in India has comparatively less capital invested in it; and the chief collieries are confined to the provinces of Bengal and Bihar and Orissa. Yet, it is one of the most important industries, one in which the public can never afford to take a mere lukewarm interest. First, the welfare of the local industry, though it fills a smaller place in the whole of India, is of vital importance to Bengal, Bihar and Orissa. Secondly, coal is by every criterion a key industry. A good supply of coal is one of the basic conditions of industrial progress. Our vast railway system would be unworkable without a well-worked coal industry. So would a coastal marine be when it is evolved by our nationals.

ECONOMICS OF COAL-MINING.

Before we examine the position of our coal industry, it would be well to delineate some of the peculiarities of the economics of coal production. Coal, like other minerals, does not possess the adaptability of agriculture. A coal mine cannot be turned, when the price is not adequate, to any alternative production as, for instance, many agricultural farms or some industrial plants may be. Secondly, there is a preponderance of fixed capital and labour charges in the coal industry; and this tends to make a state of idleness more costly than production at a loss. Thirdly, a coal mine is subject to the law of diminishing returns or increasing costs very much more than other industries. The complete extinction of the mine is not a remote possibility but the definite end, and has to be taken into consideration in determining costs, prices and profits. Differential costs are both common and high; and prices may often be determined by the mine which is more advantageously situated. Another important point is that coal is not a simple product of uniform quality. One class is suitable for coking, another as steam coal and a third for household purposes. But they do not fall into separate non-competitive categories; and prices move in sympathy. In other words, quality excepted, prices find their level. And lastly, demand for coal is more or less inelastic; a fall in price does not induce an increase in demand. All these show how difficult it is for the coal industry to devise a remedy when it is afflicted with over-production caused either by increased output or, for some reason, a fall in demand.

WORLD COAL.

We may now turn to sketch briefly the features and changes in recent years of the world's coal industry. The remarkable feature of the coal industry of the world is that out of a production of 1,217 million metric tons in 1918, 517 million tons were produced in U.S.A. and 605 million tons in Europe. So that, so far as the position of the world's coal industry is concerned, the rest of the world can hardly be said to count. Of the total European output, 292 million tons were produced in Great Britain, and 190 million tons in Germany. The other important producers were France 40 million tons, and Belgium 23 million tons. Between 1888 and 1913 world output had increased by nearly 200 per cent. This was the period of the most rapid progress in industrialisation, particularly, in U.S.A. and Germany. In U.S.A. the increase was approximately 300 per cent., in Germany 200 per cent, and Great Britain which, coal like other industries suffered from disorganisation. By 1924, there was a fair recovery and a resumption of the onward march. In 1927, the output of coal exceeded the pre-War output.

At this time, there came two important developments which affected the position of the British coal industry in a very serious way. The Saar region was placed under the terms of the Peace Treaty under separate control and the greater part of the Eastern coalfield was transferred to the new state of Poland. At the present time there are three countries which export more coal than they import—Great Britain, Germany and Poland. And their competition is intensified because world demand for coal has not kept pace with world production. Not only has there been a big increase in production, but the need for coal has been reduced by the increased competition of lignite on the Continent, the growing use of oil in ocean and land transport, and of gas and electricity in the homes and factories and lastly the enhanced efficiency of steam-raising.

INDIA'S COALFIELDS.

Raneegunge and Jharia are the best-known coal fields in India. They account for about 90 per cent. of the total production and the rest are raised in other fields some of which lie not only outside the provinces of Bengal, Bihar and Orissa, but also in the Native States. Raneegunge which produced 6.5 million tons in 1930, is situated in Bengal and was opened up in 1820. Jharia which yielded 9.7 million tons in the same year was started in 1898. The

THE FOLLOWING TABLE WILL SHOW THE CHANGES IN THE DISTRIBUTION OF COAL PRODUCTION AMONG THE PRINCIPAL COUNTRIES.

Coal Production

(In Metric Tons 000's omitted)

Countries	1930	1931	1932	1933	1934	1935	1936	1937
Total world production	1,176,722	1,029,840	911,316	953,856	1,024,036	1,072,320*	1,274,487	1,222,087
Germany ...	142,704	118,644	104,786	109,920	124,860	143,016	158,380	184,526
France ...	53,880	48,004	46,272	46,872	47,538	46,2124	45,227	44,321
India ...	23,124	21,024	18,972	18,312	20,436	1,130	20,883	22,570
Japan ...	31,380	27,984	28,056	30,048	35,928	34,908	38,064	24,097
Netherlands ...	12,216	12,900	12,756	12,576	12,336	11,880	14,802	14,321
Poland ...	37,512	38,268	28,836	27,396	29,232	28,740	29,746	36,218
United Kingdom ...	247,800	222,984	212,604	210,800	224,496	236,524	232,141	245,053
U. S. S. R. ...	47,052	53,544	62,532	72,240	93,504	103,824	120,897	122,530

* Provisional. (†) Transferred to Germany since 1935.

other fields are of comparatively recent origin. Joint stock coal companies have invested more than Rs. 12 crores in the industry; and there is besides a small knot of coalfields owned by the railways for which details of capital are not available. Though Raneegunge and Jharia tower over all the rest of the coalfields in India, the progress made by the latter is by no means insignificant. It would be well, before we proceed to sketch the recent history and the present problems of the Indian coal trade, to have a short sketch of the distribution of the coalfields and to afford some data for an estimate of their value and importance. The Raneegunge fields cover an area of about 500 square miles spread over the districts of Burdwan, Bankura, Manbhoom and the Santal Pargannas. The Raneegunge fields are very favourably situated for the export trade, the freight in their case to Calcutta being very much less than from the other fields. The more important seams are Dishergarh, Poniati, and Sanctoria; the next class is presented by Ghusick, Koithi, Chanch, Salanpur, "A" Samla, Kajora and Jambad. As the Raneegunge fields were opened up as early as 1820, the raising costs are distinctly higher.

The Jharia field comprises an area of 150 square miles. It contains 18 seams of coal. The trade distinguishes 18 classes of its output of which the last 9 are considered to be very poor. Operations were commenced in 1893. The Bokaro field has an area of 200 square miles. It is worked chiefly by the various Indian railways and its output in 1930 was 1.6 million tons. The working is easy and cheap and the total resources of this field are estimated to be over 1,000 million tons of coal of first-rate quality.

The Karanpura field, which falls into 2 divisions, North Karanpura and South Karanpura with areas respectively of 472 square miles and 72 square miles, contains thousands of million tons of coal, though of somewhat poor quality. This field may prove in the future to be more profitable as it is having increasing transport facilities and the actual working may be more easy and less costly than fields similarly situated.

The Giridih field is controlled by the East Indian Railway for their own needs. It is seven square miles in area and the coal is accounted to be of the best quality. The coalfields in the Central Provinces have been worked only lately.

The Pench Valley and Kanhan fields are fortunate in having a good transport service from the G. I. P. and the B. N. Rlys. In common with the Chanda fields they find a ready market for loco and mill use. The Central India fields lie to the East of the Katni-Bilaspur section of the B. N. Rly. and a railway line has been projected to facilitate the opening up of large deposits of coal in this region.

The Rewa State contains an area which has a convenient market near to it in the Lime and Cement factories in the Katni district. Burhar is situated in the same State and has an annual output of about a lakh of tons.

Korea which lies in the Native State of the same name contains high-class coal and it is being developed.

The Talcher field is worked by the B. N. and M. & S. M. Rlys. Its development will grow with the new port of Vizagapatam; and the future may show it to be advantageously situated both in regard to S. India as well as some of the ports of the South East of India.

The Assam field is practically marked out for the railways of Eastern Bengal, and Assam, the steamers navigating the rivers of that area and the tea gardens in neighbouring districts. The product is of high quality and the mines are worked by adits driven into the hillside.

OUTPUT & MARKETS.

Independent of the fluctuations in the fortunes of coal companies, the output of coal in India has gone ahead, as may be seen from the following two tables giving the figures of

production for the last thirteen years and for the last five decades:

Production Year by Year.

Year	(In thousands of Tons)
1920-21	17,962
1921-22	19,304
1922-23	19,010
1923-24	19,657
1924-25	21,177
1925-26	20,900
1926-27	20,999
1927-28	22,082
1928-29	22,543
1929 30	22,375
1930-31	22,714
1931-32	19,518
1932-33	18,064
1933-34	18,218
1934-35	20,846
193·-36	20,875
1936-37	20,064
1937-38	23,479

Production at the end of each decade.

	Tons.
1880	1,019,793
1890	2,168,521
1900	6,118,692
1910	12,047,416
1920	17,962,214
1930	23,803,048
1937	23,479,000

The imports and exports of coal into and from India are given below:

EXPORTS OF COAL.

(Quantity in Tons).

	1934-35	1935-36	1936-37	1937-38*
United Kingdom ...	18	...	...	...
Ceylon ...	215,605	132,618	202,884	364,228
S. S. ...	29,719	16,589	18,808	43,023
Hongkong etc. ...	55,384	41,270	...	13,354
Other countries ...	7,963	7,548	28,334	585,294
Total ...	308,689	198,025	249,526	1,005,899
Coke ...	2,684	1,799	1,419	22,675
	311,323	199,824	250,945	1,028,574

IMPORTS OF COAL.

(Quantity in Tons).

	1934-35	1935-36	1936-37	1937-38*
United Kingdom	11,580	10,291	17,377	31,637
Union of South Africa ...	32,353	19,203	37,415	28,826
Australia ...	4,491	5,287	2,391	2,468
Other Countries	8,330	24,656	17,740	19,919
Total ...	56,754	59,457	74,923	82,850
Coke ...	14,168	16,454	17,228	1,069

*Excluding Burma.

The channels of consumption for this supply of coal are indicated in the following table which gives the figures for three years:

(In Thousands of Tons).

	1936	1935	1934	1932
Railways ...	7,482	7,293	7,126	6,683
Port Trusts ...	127	135	145	143
Bunker Coal ...	990	1,020	944	967
Admiralty and Indian Marine ...	27	29	28	30
Inland Steamers ...	567	551	577	586
Jute Mills ...	754	653	658	656
Cotton Mills ...	1,697	1,331	1,600	1,547
Iron and Brass Foundries ...	5,681	5,583	4,657	4,092
Tea Gardens ...	191	186	189	187
Consumption in collieries and wastage ...	1,198	1,220	1,169	1,079
Brick and Tile Manufacture	858	792	709	644
Paper Mills ...	188	171	249	162
Balance available for other forms ...	2,759	3,712	3,788	1,778
Total ...	22,510	22,872	21,799	19,428

It will be seen from the above that the chief consumers, not to speak of the collieries themselves, are, in their order, the Railways of India, the Iron and Brass Foundries, Cotton mills, Bunker coal, Brick and Tile manufacture. It is equally obvious that the fundamental condition of the growth of the coal industry, a vast and widespread industrialisation, is lacking. And even within the narrow limits indicated by the figures cited above, elements of unsettlement have been rife especially during the last one decade after the War. The railways, who form the chief consumer of Indian coal have acquired and been working their own coal mines. Objection has been taken to this development on the ground that as the railways are owned by the State, the establishment of railway collieries would mean an unjustifiable and unwarranted encroachment of the State into the sphere of private industry. It is of course, contended in reply that as the railways are commercial enterprises, they must have freedom to develop their business interests and devise combination of a vertical nature, if they deem it profitable to do so. The railway collieries have been developed in the face of natural opposition; but with the Government had at one stage shown themselves more sympathetic to the appeals of the trade regarding the working of the collieries.

THREAT OF ELECTRIFICATION.

Apart from the existence of railway collieries there are other factors which affect the welfare of the coal industry in India. The most important of these is the electrification of the suburban railways. But while this factor may create a temporary disturbance to the market and some concern to the collieries, it is no permanent threat to the coal industry as a whole.

The Bombay cotton mill industry is the next channel of consumption which offers a

frequent threat of silting up. In this market, too, there appears on a somewhat larger scale the danger which was mentioned in regard to the railways. Mills and factories are worked more and more by oil or electricity; and the prospects of coal consumption in Bombay must be less. But it is not, of course, to be expected that the change from coal to oil or electricity will be sudden or on a large scale. And in the worst circumstances Bombay must be a market which Bengal or other Indian coal can hardly afford to despise.

INDIAN VS. SOUTH AFRICAN COAL.

But in Bombay, Indian coal has to meet with the powerful competition of South African coal. In that country the coal trade and the Government work in closest co-operation. The Railways are State-owned; and bounties are best given in the shape of railway freights which have no relation to the economic rates. It has become almost the established custom in South Africa to have one rate for the internal movement of coal, another for coal intended to be bunkered and a third, which is the lowest, for coal exported to foreign countries like India, Ceylon, Sumatra, etc. In consideration of this fact the Indian Coal Committee of 1925, recommended an increase of 50 per cent. in the rebate on railway freights for coal for shipment; and the acceptance of this recommendation meant a reduction of annas eleven in the cost of transporting coal to Bombay and Karachi. But there is one important circumstance, which it is difficult to provide against. And it is that coal from the United Kingdom or South Africa is carried practically in ballast. Steamers expect, and do get, valuable cargo from Calcutta, Bombay and Karachi; and while proceeding to pick up such cargo they can afford to take cargo at rates which by themselves would seem to be uneconomic. Such advantages are for the same reason denied to coal going from Calcutta; and in this sense, the export of our precious raw materials may be said to inflict a double injury.

The other Indian ports offer no considerable demand for Indian coal. The industrial needs of the interior of the country are being met from the coal fields near at hand. This development has been helped by the fact that the growing technique of industry has enabled the use of low grade coal where formerly only the best coals were suitable. And the Government of India increased the freights on coal other than those intended for export or bunkering by 15 per cent. as from January 15, 1932. The cumulative effect of all these developments was that Bengal coal was cut off more and more from the interior and thrown on the so-called export markets.

LOSS OF FOREIGN MARKETS.

The foreign markets have for long been the weakest spot of the Indian coal trade. It is here that the trade has suffered the worst vicissitudes. Though the surplus of production over internal consumption is not very high, the disposal of this surplus at remunerative rates is of vital importance to the whole industry. Disturbance in the foreign markets deepens into depression at home and the export trade has, therefore, been the concern of the collieries and the Government. It is necessary in an examination of this subject to realise that all the coal passing through the port of Calcutta is not intended for the foreign markets, a part of it is for bunkering, a part for the Indian ports and only the remainder goes to the foreign markets. The exports of Indian coal began to be of importance only in the five years ending 1900 when they averaged 30,500 tons annually. For the pre-War period the peak was reached in 1906 with an export of a little over a million tons, and for the decade ending 1915, the annual average was slightly about three quarters of a million ton. It was only two years after the war in 1917, that exports began to be affected through the shortage of shipping which obtained at that time throughout the world. In 1918, the lowest point was reached with 74,000 tons. The end of the war helped a rapid recovery and 1920 saw exports mounting up to so high as 1.2 million tons. The rapid expansion of the demand for coal after the war involved a very heavy strain on the railways in the years 1919-20. The coal trade came to monopolise the available supply of wagons with the result that other commodities and trades were held up. In July, 1920, the Government of India following the example of the United Kingdom and South Africa, decided to prohibit the export of coal from India except under license with effect from July 24, and from September 1, to refuse the preference which had till then been accorded by the railways to bunker coal for Indian ports. It was hoped, at the time these restrictions were imposed, that the bunker coal intended for the ports of Bombay, Madras and Karachi which were then taking an all-rail route would be diverted to the port of Calcutta and would then reach their destination by coastal steamers. At a later stage, it was deemed advisable to restrict the free export of coal and to allow the exports to the former foreign markets only on the basis of a rationing scheme. Within a half year, it was found, on account, among others, of a fall in the raisings to the extent of 4½ million tons, that the provisions were not drastic enough. From the end of January 21, exports to Labuan and Singapore were altogether prohibited. Colombo was allowed a diminished supply till the end of March and thereafter only to the Ceylon Government railways and a few public utility concerns. Even bunkering coal was reduced to the minimum necessary for enabling the steamers to reach the next nearest source of bunker coal. In July 22, all restrictions on the export of cargo and bunker coal by sea to ports in India were removed. The embargo was not entirely removed till January 1, 1923.

The inevitable result of this interference with the flow of coal to foreign markets was that Indian coal was ousted from its place and that South Africa which is the chief rival to India fully established herself in those markets; and it is easy to understand that once business relationships are established it is difficult to terminate them in favour of even an old customer. It has been remarked already in an earlier section of this article, that, the Government and the trade in South Africa work in the closest co-operation and that among the many measures introduced for strengthening the export trade in South African coal was the action that had been taken to prevent the use of any but the best coal for export and bunkering and to ensure the satisfactory condition of any coal so used. By 1924, the situation resulting from the loss of the foreign markets had become serious.

TARIFF BOARD ON INDIAN COAL.

The coal trade applied for protection; and as the questions involved were deemed to be of a highly technical nature, the Government decided to appoint the Indian Coal Committee, which would go into the question thoroughly and submit a report which might possibly be regarded as the basis for the Tariff Board to work on. The findings of the Indian Coal Committee are naturally various and varied. Their most important finding was that the problems of the Indian coal trade may be summed up in two words "quality" and "price." In regard to the former, they inclined to the view that, though the restriction placed on exports during the period after the War had much to do with the ultimate loss of the foreign markets, there have been even from earlier times a decided dissatisfaction amongst the foreign consumers with the quality of the Indian coal and that, even if the restrictions on exports had not been imposed, India would in any case, have been superceded by her rivals in Colombo, Singapore and other ports. As regards price, they went elaborately into the factors entering into the price of coal at the various consuming centres. Naturally, these factors fell into four divisions: (1) cost of raising; (2) railway freights; (3) port charges, in the case of coal for foreign markets and Indian ports and (4) shipping freights. The Committee after a careful examination found that Indian coal, by all the accepted criteria in this regard, is, if anything, superior to the rival product from South Africa; and that, if greater care were expended in the raising, handling and selection for foreign markets of Indian coal, our products can very well stand the competition from abroad and slowly find it possible to regain the lost markets. For this purpose, the common methods of pooling and grading were suggested in the evidence before the Committee and were considered by them. The Committee decided that no pooling was essential for this purpose. They accordingly recommended the appointment of an Indian Coal Grading Board to classify the different seams at Indian collieries, to prepare a grading list and grant certificates of shipment. The recommendation was given legislative effect in 1925; collieries included in the grading list receive a special rebate on railway freight and a reduction of port dues and of shipment of cargo coal approved by the Grading Board. With the institution of the Board, foreign markets have been enabled to ascertain beyond doubt the origin and quality of the coal consigned to them. The quality of the coal shipped under the supervision of the Board has helped Indian coal to regain the footing it had lost in the markets of the East owing to the indiscriminate shipments of earlier years.

PROBLEMS OF BENGAL COAL.

Apart from these, Bengal coal would seem to have problems of its own. We have already mentioned that there will be an increasing tendency on the part of the industrial consumers in the heart and farther ends of the country to have their needs supplied by the collieries near at hand. This has been possible as the technique of steam raising enables the use of inferior coal in place where formerly there was no alternative to the use of the best qualities. In these circumstances Bengal coal will have to fall back entirely on the export markets; and this is a prospect which it should not fear, as Bengal coal is of the highest quality and well appreciated by foreign consumers. But the internal coal market has been during recent times in a state which the producers can by no means regard as wholesome. Coal prices are determined by the rates obtained at the railway tenders; and the fact that the railways themselves are owners and managers of collieries tends to undue depression of the market. It has naturally been the insistent demand of the coal trade that the railways should cease to work their collieries. While this desideratum has not been fully secured the coal owners of all sections attempted for their part to reduce undue competition amongst the producers.

RESTRICTION OF COAL OUTPUT.

The year 1932-33 saw a worsening of all the adverse features of the coal trade referred to earlier, and the primary cause of the increase of all these handicaps was the imposition of a surcharge of 15 per cent. on rail freight on coal. The effect of this, it has been contended, is to give an unfair advantage to the coalfields of the Central Provinces, as, with a 15 per cent. surcharge, the basic rate in respect of the coals of these two areas is in favour of the C. P. coal. The practical effect of the surcharge was to make Bengal coal considerably dearer to Western and Southern India and to other places away from the coalfields in Bengal and Bihar and Orissa.

As a result of the various representations made by the coal trade of Bengal and Bihar and Orissa, the Government agreed to do something and raised the rates for the transport of coal from the collieries in the Central Provinces as from the 1st of April, 1934. It was announced in Jan. 1935 that as from the 1st of April the surcharge on the railway freight would be reduced by a cut in the basic rate from 15 per cent. to 12½ per cent. and by the imposition of Re. 1 per ton, irrespective of distance.

The comparative prices of 1935-36, 1936-37 and 1934-35 are given below:

	1934-35					1935-36		1936-37	
	Rs.	A.		Rs.	A.	Rs.	A.	Rs.	A.
Dishergarh	4	0				3	0	3	0
Poniati	3	9				2	12	2	14
Super Jharia	4	0				3	8	3	8
Selected Jharia	3	8	to	3	12	2	12	2	14

The difficulties of the Coal industry of Bengal and Bihar and Orissa have mounted up, like Pelion upon Ossa and, as a result, have succeeded in making the industry one of the most disorganised in India. The unhealthy competition amongst the coal owners themselves has also contributed in no small measure to the ruin that is almost staring them in their face. After protracted and delicate negotiations the three bodies interested in the coal trade of Bengal and Bihar and Orissa *i.e.* the Indian Mining Association, the Indian Mining Federation and the Colliery Owners' Association agreed upon the essential principles of a scheme of restriction with differences of opinion restricted to certain details such as the constitution of the Board of control. The scheme was submitted to the Government of India in December, 1933.

It is useful to give here its main outlines. The Restriction scheme shall be in force for a period of three years in the first instance,

restriction being effected by control of wagon supply. The operation of the Scheme shall be restricted to Collieries in British India, in Bengal, Bihar and Orissa and the Central Provinces. The Standard Tonnage of all collieries shall be the average annual output of the years 1930-31-32. The lowest quota shall be 75% of the Standard Tonnage but the Committee shall have power to vary the quota from time to time as they consider necessary. Collieries in Central Provinces (British India) shall be allotted a quota equal to 100% of their standard tonnage. Sanction shall be sought from Government to amend the Coal Grading Board Act 1925 to allow of all expenses in connection with the working of the Restriction Scheme to be met from funds at the dsiposal of the Indian Coal Grading Board. The Committee shall deal with all matters arising out of the Restriction Scheme and their decisions shall be final and binding.

1935-36 must be pronounced altogether eventless year in the history of the coal industry. For by the beginning of April, 1935, the Government had had its final say on the question of restriction of output and the industry was left to face the severities of cutthroat competition. There was, however, one relief in the shape of the reduction of the basic rate on the surcharges of railway freights to which a reference has already been made. This was sufficient for a time to hearten the collieries; and later, when there came about a slight improvement in prices, it was possible to feel that the year had not turned out as bad as it was once feared. Towards the end of the year, the attention of the trade was diverted to the question of regaining the export markets which had been lost during the years following the War. The Associated Chambers of Commerce passed a resolution at their annual meeting that the Government should consider the advisability of reducing the freight on coal with a view to enable the Indian industry to compete on equal terms with South African coal in certain markets like Ceylon and Sumatra and the neighbouring ports for bunker coal.

Mention may, perhaps, be made here of the disasters which occurred in the Jharia coalfields early in 1936. The fires raged so long and the casualties were so heavy, that public interest in mining regulations was revived and the Government of India have taken action by formulating new regulations which attempt to provide as far as may be possible for better mining methods and for prompt provision of relief in case of disaster.

If the preceding year, apart from the accidents in the mines, was devoid of interest, 1936-37 provided plenty of features. The outstanding event, in some sense, was the Poidih disaster in the Jharia field. The gravity of the disaster forced the question of proper safety methods to the forefront, while the warning of Sir Lewis Fermor about the prospect of a shortage of good coking coal lent urgency to the problem of coal conservation to which we adverted last year. The Industries and Labour Department besides issuing instructions for the adoption of safety methods, and the stoppage of female labour as from June, 1937 by amending the Mines Act suggested the adoption of sand-stowing during extraction as advocated by an expert member of the first Coal Committee. The practicability of the more economical and safer extraction of coal by the adoption of sand-stowing and similar methods was the subject of reference to a small expert committee appointed by the middle of the year. The Chairman, Mr. L. B. Burrows was assisted by a member of the Geological Survey, an officer of the Mines Department and a Mine Manager. The coal industry, however, did not take the committee seriously and declined to tender evidence. The three organisations representing the industry held th view that the terms of reference were too wide and vague, and that other measures besides the adoption of safe methods were necessary to assist the industry. Further, the advance in internal consumption and the improvement in prices in the latter half of the year had the effect of reviving self-confidence, and there was also a feeling that the committee's findings would not redound to the credit of the industry, while the reforms advocated for more efficient and economical mining involved an increase in working costs, which would hardly be to the liking costs, which would hardly be to the liking of mining interests. The Committee's labours concluded in the beginning of this year and the report was released for publication in May, 1937. The report met with a decidedly critical reception from coal-mining interests, who were not willing to subscribe to the view that India's coal resources had been wastefully exploited. The report derives interest from the suggestion of a cess to provide for the expense involved in the general adoption of sand-stowing. The cess was to be levied and administered by an independent statutory board to be clothed with powers of general supervision over the industry.

A minority of the Committee went further and recommended nationalisation of the mines, provision for compensating owners being made by Government. Public interest in the Committee's report was considerable and the admitted necessity for avoiding the disasters (more numerous in 1936) and also for conserving the fuel resources of the country, led to a general approval of the recommendations of the committee. The committee's view that the unsatisfactory situation in the industry and the trade was largely of its own creation was blunt enough, but it proceeded to state further that the profit motive came into conflict with sound mining. The committee's view that the average of waste was about 50 per cent., of which the greater part could be avoided by sand-stowing, receives added emphasis from the finding that the life of the reserves of good quality coal in 122 years, the life of coking coal of quality is 62 years. In the Jharia field, the life of the reserves is placed at 81 years and of coking coal 57 years. The measures of conservation are advocated on grounds of public policy, apart from the interests of the iron and steel industry, to which coal is a vital factor. Control is necessary in the interests of safety of property of life in its opinion and the committee urged the adoption of its recommendations in regard to grading, marketing etc.

The Indian Mining Association challenged the findings of the Committee and its criticisms of the methods of extraction. The recommendations were viewed as impracticable and Indian colliery owners too endorsed the view that the additional cost was beyond th capacity of the industry in the existing circumstances. Legislation on the lines of the report will probably be resisted, but public opinion in the country will back up Government's efforts to reduce waste and make mining methods safer. The Adjai disaster early in 1937 showed that subterranean fires were uncontrolled and the provision of rescue facilities inadequate.

The industry's economic position underwent a definite change for the better during 1936-37. Though the export trade, except to Ceylon, continued to shrink, interna lconsumption was on the upgrade and the industrial developments in progress led to enlarged use of coal. The price of coal improved in sympathy and after the beginning of the current year there was a sharp reduction in stocks which stimulated prices.

1937-38

Over a year, the coal mining industry, if it has not made striking progress, has maintained its position. The Ceylon Railway contract recovered in 1936, was again awarded to the Indian coal trade, and the railways' coal purchases, to judge from the tender results in December, were fairly satisfactory. Demand remained satisfactory throughout the year, and shortly after the stoppage of female labour underground, there was a shortage of supplies reflected in a prompt rise in prices. Up to the end of December the supply position was dominated by the shortage of wagons and the coal market experienced something like a mild boom. The labour supply in the mines was affected by the movement to the villages after the monsoon and the termination of female labour. Colliery interests ascribed the rise in prices to the advance in wages demanded by male labour and their own increased charges. Small changes were made in the mining regulations in order to make extraction safer, and until the time of the disaster in the Singareni collieries, there occurred no major accident.

To judge from the output figures, the coal industry must have had a good year and in the Jharia field right up to the middle of 1938, busy conditions prevailed. The total output figures for the year exceeded 23.4 million tons and the increase of 3½ million tons on the preceding year was achieved largely owing to the recovery in the export trade, the South African government having placed an embargo on exports that was not lifted until the end of 1937-38, and the marked improvement in home demand. The import of coal was inconsiderable and India's own exports rose from ¾ million tons in 1936-37 to 1.03 million tons last year. Over a ten years period the exports were the best in the history of the trade and the continuous advance in prices, with Jharia No. 1 selling at Rs. 4-12 per ton from July to March, helped the coal industry to consolidate its position.

An important event was the publication of the Indian Mining Association's memorandum, criticising the Burrows Committee Report in detail and offering an alternative scheme for sandstowing. The Government of India during the year were in communication with local governments and in July made public their intentions in regard to the Coal Committee's proposals endorsing the proposals for safe mining and conservation. Mention must also be made of the case presented in February in the Asembly against the Railway Board's coal policy, when the claim was made that by keeping some of the railway collieries open and the others closed, without indicating what would be the quantity taken from the trade or the best offered, the Railway Board created uncertainty and ignored the true interests of the country's basic industry. The industry's spokesmen received no specific assurance on these matters of complaint, but in view of the fact that the sandstowing proposals are favoured by the Government, the major part of the cost being met by the making companies and a small part by royalty-owners, and mining regulations having been amended further to procure greater safety, the industry may possibly look for a favourable reply.

The improved prospects for the industry to which reference was made last year were certainly fulfilled, all grades experienced a considerable rise in prices with demand exceeding supply at least for five months in the year. Fears were expressed at one time that the Ahmedabad mills and the Karachi bunker trade would be deprived of supplies, but apart from a spurt in prices during the cold weather, there occurred nothing to suggest that the Indian industry would lose any of its markets. The high state of activity in the textile, paper, cement and other industries contributed to a further expansion of demand the year 1937, was wholly good for the coal industry at any rate. Beyond small scale strikes in the Jharia field during June 1938, the industry remained more or less free from labour trouble, and coal company reports appearing since March suggested that if a few companies had difficulties peculiar to their position, the majority passed through a good year with their financial position strengthened by the higher prices and the healthy state of their orderbooks.

INDUSTRIAL SECTION:

THE INDIAN JUTE MILL INDUSTRY

MAINLY HISTORICAL

Though historical records of a comparatively distant past contain many references to fibres which were closely related to, if not identical with, jute, it was not till the middle of the last century that jute and jute manufacture attained a definite importance in world trade and commerce. Obviously, a variety of fibres were known to the ancients and were in active use; and it would be difficult to determine their identity among those that we know to-day. But it is certain that about the beginning of the nineteenth century the word *pat*, which is so commonly heard in the bazars of Calcutta, had come to denote definitely the botanical species known as *Corchorus capsularis* and *Corchorus Olitorius*. The word jute, however, seems to have been used for the first time in official records by Dr. Roxburgh, the Founder and Director of the Botanical Gardens, Calcutta, who was also the first to see its possibilities as an article of export, in a letter to the Court of Directors of the East India Company, which he sent along with a bale of the fibre in 1805. More followed; and by 1820 jute was being spun for use in carpets at Abingdon in Oxfordshire. But old prejudices die hard; and in the light of the subsequent progress of jute it should seem strange that it was a standard condition of business in the flax trade in those times that goods for delivery should be "warranted free from India jute."

FIRST EXPORTS OF JUTE

It is natural that jute should attempt its first entry abroad in places carrying on the spinning and weaving of flax and hemp. Dundee had, therefore, a consignment of jute in 1822; but the spinning of this fibre was found to be far from easy; and it took some years before Dundee found how to use them for doormats. Progress, however, though slow, was steady. By 1828, raw jute came to have a separate heading in the Calcutta customs records; and the shipments in that year amounted to 364 cwts. Then whale oil was found to have the property of softening the fibre and making it more easy to spin; and with the spread of this device, the demand for the fibre increased. Exports swelled to 11,800 cwts. within a period of less than five years and the price had doubled itself by 1837. Coffee came to be transported from the Dutch East Indies in jute bags; and with a foreign Government enlisted as a large-scale consumer, the jute industry was firmly established.

END OF HANDLOOM INDUSTRY

The development of mechanical production in Dundee had its natural effect on conditions in Bengal. The handloom industry had shown a surpassing vitality: and up to the middle of the last century India's exports of jute manufactures were more in value and volume than the exports of the raw material. But later on with a rapidly increasing demand for jute from abroad, it became more profitable for the agriculturist to concentrate on the cultivation of jute than to continue a competition in which the odds were against him.

The normal progress of the jute industry was given a sudden stimulus by the Crimean War which shut out Russia's flax and hemp from the world markets. In the same way, the American Civil War deprived the manufacturers of cheap cotton bags of their raw material. In both these cases jute was the most obvious substitute; and it made the most of these opportunities. Its place in world trade was assured. And from this time exports showed a steady and rapid rise. The peak year was 1908-09, when 897,000 tons were exported, with 1927-28 as a close second with exports of 892,000 tons.

EXPANSION OF JUTE MILLS

The establishment of mills in India for the manufacture of jute with European machinery did not begin till after the middle of the nineteenth century. The first jute millowner is reported to be one Mr. George Auckland. His original intention was to push *rhea* ahead of flax and hemp and visited Dundee with this purpose in view. But with commendable quickness he appreciated the more useful qualities of jute; and in 1855 he erected the first jute spinning mill at Rishra near Serampore on land which was afterwards the site of the Wellington Jute Mill. Two years later the first weaving factory was erected at Barnagore. With such a conclusive demonstration of the profitableness of jute spinning and jute weaving and with the trade showing such remarkable capacity for expansion, other factories followed in rapid succession.

The first power loom was erected by the Borneo Company, of which Messrs. George Henderson & Co. were the agents. Its combination of spinning and weaving proved to be a very decisive factor in its success; and within a few years the equipment and output of the Company were doubled. It was followed in 1862 by the Gourepore and the Serajgunge Mills. The India Mills came in 1866; and the result was an increase in loomage in the short period between 1869 and 1873 from 950 to 1,250. In 1872-73 Budge Budge, Fort Gloster and Seebpore (later changed to Fort William) were registered in Calcutta and Samnugger and Champdany in Scotland. Before two years were over, Oriental (now Union North), Howrah, Asiatic (now known as Soorah), Clive, Bengal (now Belliaghatta), New Central (formerly Rustomjee), Hastings and Ganges followed. Such rapid inrush of new mills took up the

total loomage to 3,500 and apparently caused a state of temporary disequilibrium in the trade. Only Kamarhatty ventured into the field in 1877. And it was not till 1882 when the mills had over 5,000 looms that the next bout of new ventures started, lasting for about three years. At the end of this the loomage had increased to 6,700, of which 4,900 were sacking and the rest hessian.

Again production outstripped demand: and the obvious need for restriction of output suggested the equally obvious expedient of forming the Indian Jute Mills' Association. Its function has been mainly to bring the producing units together for purposes of regulating the output as and when necessary. No new mills were built in the decade ending 1895. But it is a feature of the jute trade that existing mills had been regularly increasing their loomage and by 1895 the loomage had increased to 9,701, of which 3,117 were sacking. The next quinquennium saw the advent of Gondalpara, Khardah, Alliance, Anglo-India, Standard, National, Delta, Kinnison and the present Lansdowne. The opening years of this century were not marked by any new flotations, but between 1905 and 1910 Dalhousie, Alexandra, Auckland and Northbrook Mills were started; and the loomage went up to 31,755 as against 15,213 ten years earlier. Albion, Angus and the Empire came into the field in time to reap the profits of the War period. And during the War, Caledonian, Lothian, Orient, Waverly, Craig and Bally were added and after the War, Nuddea and Meghna, Cheviot, Benjamin (now Presidency). Birla and Hukumchand were the first Indian mills; and later followed the Adamjee, the Premchand Mills, Hanuman, Agarpara and Mafatlal Gangalbhai Mills. In 1921, Ludlow and the American Manufacturing Co. were added to the one American-owned mill, namely, the Angus.

The tables appearing in this volume, giving all the relevant statistics of acreage and crop, mills' consumption and exports of raw jute and exports of jute goods will afford a more complete and more accurate story of the development and expansion of the jute mill industry. It should suffice here in this descriptive note to point out that, if we put out of mind the years 1930-34 which form the period of the depression, the history of the jute mill industry during the War and post-War period is one of unbroken progress. The area under jute increased from 31.69 lakhs acres in 1913-14 to 34.85 lakhs in 1929-30. Production expanded from 87.59 lakhs of bales in the pre-War year to 121.87 lakhs in 1926-27. The Indian mill consumption progressed with but few setbacks from 43.74 lakhs of bales to 62.46 lakhs in 1929-30. The export of jute and jute manufactures in 1925-26 amounted to Rs. 96.79 crores out of a total of Rs. 374.84 crores, from which there was a natural reaction. But so late as 1928-29 the figure stood at Rs. 89.25 crores. From that peak, it has come down to about Rs. 33 crores for reasons which will be entered into in a later section of this article, but there can be no doubt about the vitality of this industry or its capacity to stand competition from rival goods.

THE CULTIVATION AND MARKETING OF JUTE

Bengal holds a virtual monopoly of the production of raw jute. The two varieties of jute mentioned in the previous section are grown exclusively in the deltaic region common to the mighty river systems of the Ganges and the Brahmaputra. Thus the crop is confined to Bengal, Assam and Bihar and Orissa, as also the Native State of Cooch Behar. Madras and Bombay possess little fragments of land suitable for cultivation of a fibre most akin to jute; and one or two mills are in existence there which utilise the product in manufacture. The normal area under jute is about 30 lakhs acres and three millions may be said to depend on its cultivation for their living.

Jute is most luxuriant in a loamy soil. The inundation of the Ganges and the Brahmaputra le[illegible] its [illegible] all[illegible] [illegible]il; and the cultivator is, therefore, spared the expense and trouble of providing manure. Once planted, the crop requires little attention for a long time. The finishing stages, however, entail hard and very irksome labour. For to separate the fibre from the wood, the crop has to be steeped in water for two or three weeks. Retting, as this process is called, requires the cultivator to stand in water for long hours. The fibre is [illegible]ned by beating the stems with wood. Then it is washed and dried and made ready for disposal.

The marketing of jute, so far as the cultivator is concerned, is not different in essentials from the marketing of other agricultural produce in India, though it must be remembered that jute is what is called a money crop for which the individual cultivator has little or no need. Moreover, the bulk of the demand comes from the indigenous mills, who have a strong and powerful organisation and for whom the buying of jute at the best prices is not a seasonal or an intermittent operation. The organisation of the mill and other interests has wide ramifications in the jute areas. The cultivator is, as a rule, in debt and the creditor has *de facto* the first claim on the produce. It may reasonably be suggested that jute passes from the cultivators through the hands of those who represent a blend of the moneylender and the agent acting on behalf of the urban interests. A multiplicity of middlemen is detectable here. The cultivator sells his jute through a *faria* to the *bepari*, a small dealer who acts on behalf of his principal, the *aratdar* or *mahajan*. The *mahajan* sells to the agent of a mill; or there is one more link in the chain, the broker or baler butting in between the mill and the *mahajan*. Then the jute finds its way to Calcutta or Chittagong by rail, river or road to be consumed by the mills or exported abroad.

The place of the "futures" market in the organisation of the jute trade calls for special mention. Jute offers peculiar attractions to the speculator. Unlike cotton, for instance, which is grown in many parts of the world, jute is grown only in and about Bengal. Demand for the commodity is steady. But at the same time, uncertainties in regard to weather, conditions of the crop and extent of demand at any given time for jute products render it extremely fitted for speculative operations. There is more than one organisation in Calcutta which affords facilities for such operations. But the most important body is the East India Jute Association which has been formed mainly on the lines of the East India Cotton Association and it aims at discharging the same functions to the jute trade as the latter renders to the cotton trade in the Western Presidency. The rules of the Association are so framed as to keep the business of its members as far removed from wager and gamble as possible. But the best futures markets of the world have

not invented any infallible means of preserving the strictly *bona fide* character of the business; and in the case of the E. I. Jute Association also criticisms of an adverse kind have often appeared in the Press. It must be admitted, however, that the Association has succeeded in ensuring more of free play for the forces of supply and demand.

PROBLEM OF RESTRICTION

As indicated already in the earlier sections of this article, the years of the economic depression had been a trying time for the jute mill industry and those who are connected with it. Our exports of jute and jute manufactures fell in volume and value. The acreage and production of raw jute were practically halved as compared with two years before. Prices were every day digging new record levels. And the jute mills were obliged to devise new schemes of restriction in a vain endeavour to keep pace with the fall in demand. The world economic depression has undoubtedly, a large place in the troubles of the jute industry. The movement of the chief agricultural crops like cotton, wheat, coffee, etc., has been restricted by the state of the consuming markets and this brings about a serious decline in the foreign consuming demand for jute. While this factor may be properly appraised without any attempt to underrate its importance, it must not be forgotten that the position of jute in Bengal enables the mills to acquire a certain degree of immunity from world causes of an adverse kind. Possessed of a complete monopoly of the raw material and a virtual monopoly of the lines of jute manufactures in which the Calcutta mills are engaged, it should always be possible by the regulation of output to save the industry from severe losses or an altogether sterile working. Even in the early stages of the history of the jute industry temporary disequilibrium between supply and demand was not unknown. In fact, the Jute Mills' Association was first formed to combat such a danger.

The history of the jute industry during the last few years is largely the history of more or less restriction of output. We have referred to the vast expansion in the jute industry during the War period and the years immediately succeeding it. This expansion was due to the fact that the new entrants into the field did not see the place of the War in the economic demand for jute products during that period. When this was more clearly borne in on the jute mills they agreed to a scheme of restriction of output which lasted till June 30, 1929. The members of the Indian Jute Mills' Association had probably a variety of motives in abandoning restriction in that year. There was, first of all, the feeling that demand had expanded considerably since the agreement amongst the jute mills was first concluded. The clearest proof of this was to be found in the fact that the jute mills in Dundee and on the Continent of Europe had been increasing their loomage and other consumption of raw jute. Even at home new mills were being established; and the obvious result of the continuance of restriction was that other producing units were reaping the benefits of prices which were maintained at that level only by the action of the Association. In these circumstances, the abandonment of restriction was an act of bare commonsense.

But reference must also be made here to the feeling in certain circles that the motive of the jute mills at that time was to hit the Indian mills which had just ventured into a field, till then practically an exclusive preserve of the European mills. Though it is not for anyone, except those in charge of the mills to deny such allegations, yet it must be remembered that this contention has value and relevance only in a controversy in which the main issue is whether the Indian mills harmed in that way should avail of the earliest opportunity to return tit for tat. Be that as it may, after a somewhat prolonged consideration, the jute mills decided in November, 1928, to increase the working hours from 54 to 60 hours per week. But the new arrangement was to begin from July 1, following. The change was not very old before it became apparent that it could not be persisted in except at the peril of the industry itself. The demand for short hours was widely made. The mills took time to recognise the position. And even after the recognition came it was not easy to come to an agreement as to the remedies. Finally it was decided to revert to 54 hours. The inadequacy of this measure suggested the closure of the mills for three weeks in the latter half of 1930, the exact time to be determined by each mill and, of course, day notified to the Association. It is curious how the need for restriction grew with every new measure designed towards that end. The restriction of working hours to 54 led to the closure of the mills three weeks. And the closure of the mills after it ceased, was followed by a further restriction of working to 40 hours per week. Then it was decided to seal up 15 per cent. of the looms of every member of the Indian Jute Mills' Association. The remaining 85 per cent. of the looms running 40 hours per week is equivalent to the full complement of looms working 34 hours per week, a reduction of 43 per cent.

It may be thought that so drastic a restriction of working cannot fail to produce better conditions. But difficulties arose at this stage which, but for there being a late and unexpected development, are the same as those on which all schemes of restriction have foundered. The very severity of the restriction was an inducement for those who were outside its scope to increase their production. The non-member mills which owned about 5 per cent. of the total loomage of the industry increased their equipment and working hours. Their overhead costs were lower and their margin of profits increased. The sight of this development tempted even members of the Association to desert its ranks. And so a position was reached in which the output of the non-restrictionists amounted to as much as 14 or 16 per cent. of the total production.

These developments brought matters to a head. While the need for restriction was becoming more and more urgent, the Association mills exhibited a decided reluctance to impose any more restrictions on themselves unless they had the whole industry with them. This was interpreted, and rightly, by the non-Association mills as a bid for their support. And attempts were made to raise the bid. Protracted negotiations and increasingly stiffened attitudes were the result. The markets all the time were going from bad to worse; and interest in the question spread to the general public as the ruin of the jute industry spelt the ruin of the whole province and even interests far transcending the province. A vigorous agitation was in progress to induce the Govern-

ment of Bengal to interfere in the public interest in the negotiations between the two sections and either bring about a settlement or impose one by legislative enactment. His Excellency the Governor took a keen personal interest in the negotiations, more so, as he was opposed on principle to the interference of the State in the affairs of an industry. But the final outcome was not exactly a compromise, as may be seen from the points which were agreed on in the second conference of jute interests which was held at the Government House under the presidency of Sir John Anderson himself.

The main points settled were:

(1) That the deposit money which the Adamjee mills forfeited on account of its secession from the Association should be refunded.

(2) That the Association mills should work 40 hours a week, while the non-Association mills should be free to work 54 hours a week.

(3) That the latter should be allowed to work their full complement of looms while the former are to have 15 per cent. of their looms sealed up.

The restriction agreement between the Association and the non-Association Mills brought about through the intervention of His Excellency Sir John Anderson worked smoothly through the year, so far as the relations between the two groups of mills are concerned but by the end of 1933-34 it was clear that the restriction scheme called for a revision. For the foreign competitors of the Indian Mills were able to increase their share of the market and this was seen in the steadily increasing exports of raw jute from this country. The foreign mills had the advantage of working to full capacity and of under-quoting the Calcutta mills because of the low overhead charges. Just as in previous years the benefits of the restriction of production by the Indian Jute Mills Association went largely to the non-Association Mills, in the year 1933-34 the benefits of restriction in the Indian mills went to the non-Indian Mills. Though it is generally believed that there has been no expansion of productive equipment in foreign countries, it must be admitted that it is absurd to continue a restriction scheme which undermines their competitive capacity by higher costs of production. The Indian mills fought shy of revising the restriction agreement; for it is quite conceivable that increase of working in India might involve all producers alike in a common ruin. But the rate at which the exports of raw jute increased left no room for doubt that, unless the Indian jute mills make their competitive power felt abroad, the foreign mills would go on increasing their output.

Next to the cement industry, jute is the best organised industry in India and its position is well-founded. The conservative policy and the careful building up of the jute companies by the Clive Street businessmen has brought the industry to its position of pre-eminence at the present day. Its magnitude will be well understood when one is told that more than Rs. 18 crores is invested in the industry. The confidence of the public therein is brought out by the fact that the market value of the jute mill shares is nearly Rs. 35 crores or nearly twice the amount of all the capital paid up (ordinary, preference and debentures). It is a matter of national pride to note that 50 to 60 per cent. of the capital is Indian owned.

An agreement was arrived at between the mills in the membership of the Indian Jute Mills Association; and from March, 1933 the Association mills began to work 40 hours per week with 15 per cent. of the total looms sealed up. Production was curtailed and prices seemed to improve. By the end of 1934, it was found that exports of jute manufactures were falling and that other countries were taking advantage of the higher prices. Substitutes for jute were responsible for some diversion of demand. In consideration of these, 2½ per cent. of the sealed looms were released in November, 1934. It was decided that the sealed looms should be gradually released for working. The position at the end of 1934 was good, and everybody was looking forward to a good year in 1935.

The year 1935 opened without any forebodings. Prices were ruling steady and consumption was good. Mills were making good profits. Another 2½ per cent. of the sealed looms were released for working in May, 1935, and yet another 2½ per cent. in August, 1935. Everybody was confident that the year would prove to be a very good one for the industry; but events took an unexpected turn in September. The non-Association mills, which were in agreement with the Association, made a grievance of the fact that the Association was not taking action against the outside mills, which were working without any restriction and were constantly adding to their productive capacity. The Agarpara, a non-Association mill within the agreement, gave notice to the Indian Jute Mills Association of its intention to terminate the working agreement. The Association was not hopeful of compromise; and at a General Meeting a resolution was passed to terminate the agreement as from March, 1936, by giving the requisite notice of six months. Panicky conditions followed and prices of jute shares fell considerably. People feared that the crisis in the industry would result in gross over-production and serious reduction in the profits of companies.

The collapse of the agreement between the Association Mills and the outside mills was followed by prolonged and infructuous negotiations. From April, 1936, the Asso-

ciation mills, who were free to work at 54 hours per week after swing 6 months' notice, increased their working hours, and during the first quarter of 1936-37, the average working time in Association Mills was 46½ hours per week. The jute industry's position itself was more uncertain in view of the definite refusal of the Government of India to enact legislation to give effect to the scheme for restricting hours and output. Mr. Clow's letter explaining the policy of Government held out no promise of intervention even if gross overproduction resulted. The Association mills after April decided that one way of preventing new mills from being set up was to raise their own output and compete effectively, even if stocks grew heavy and prices declined. From July, the mills started to work 50 hours per week and in August, all the mills worked the full week of 54 hours. But the old condition regarding the extension of productive machinery held good and it was with a view to escape its restrictive influence that two mills decided to resign from the Association. The resignation was withdrawn when the Association itself withdrew its restrictions on hours and machinery. The relaxation of the rules is inevitably reflected in the output figures. Stocks at the end of the year were 9.51 crores of yards compared with 6.01 crores of yards at the end of January, 1936. The average production in the months since April was 16.35 crores yards per month as against an average of 12.03 crores yards in the first three months of 1936. Production of sacking was on an average 11.6 crores yards per month compared with an average of 9.6 crores yards during the first quarter of the year and stocks too were higher at 9.88 crores yards against 8.21 crores at the end of 1936.

1937-1938

After the prolonged strikes last year, the jute industry continued to be more or less in the doldrums, though there were enough depressing developments through the year and price changes were unusually wide. After the easing of the statistical position during the strike period, there has been since April 1937, a continuous increase in hessian and sacking stocks, and the disappointment caused by the falling off in American consumption made itself quickly felt in prices. After the marked growth in consumption up till the middle of 1937 this was something of a reaction and the jute industry was certainly among the first to experience the effects of the business recession in the U. S. A. Towards the end of 1937, there was a marked fall in shipments, but the trade returns show that total exports of jute manufactures rose from 9.7 lakhs of tons to 10.02 lakhs of tons in the fiscal year 1937-38. The improvement should not, however, be taken to indicate that the jute trade was in the same position as in the previous year when the revival in foreign demand compensated for the domestic troubles.

As is generally known, the hessian market was weak and inert throughout the second half of 1937 and the first half of 1938 and temporary spells of activity were usually broken by the publication of the American stock and consumption figures. Stocks at the end of 1937-38 registered an enormous increase on the previous year and right through 1938 the market was governed by the twin influences of the adverse statistical position and the contraction of foreign demand, particularly, in the U. S. A. The reduction in prices provoked in turn complaints from Dundee and the Imperial Parliament was pressed to impose duties on Indian jute manufactures. The industry's troubles were aggravated by the recurrence of spasmodic labour trouble after the strike last summer and the failure, or rather the interruption, of negotiations for a settlement of the hours question. At the annual meeting of the J. A. M., Mr. Burn, the retiring Chairman, did not hold out much hope, but after some months Mr. MacDonald, the new Chairman, gave more hopeful news at an extraordinary meeting. The outside mills were to be induced to enter the association as 'B' class members and accept the conditions specified in the new hours agreement. Only a few small mills continued to stand out, and without Government intervention, it is now hoped, that the industry will be able to set its house in order.

The disappointing nature of profit and loss statements published by the jute mill companies during 1937-38 indicate how serious the matter is. The fortunes of the industry are inextricably bound up with an agreement on the hours question and the concessions offered to the smaller outside mills are in the nature of an inducement to make the agreement cover the entire industry. Unless effective penal clauses are included in the new agreement, it is considered, any arrangement reached will prove a failure and the delay in the conclusion of a comprehensive agreement has led to a setback after a strong recovery in the jute market. Raw jute prices have been influenced to some extent by the manufactures market and obviously the crop restriction propaganda is a very qualified success. These and other matters are discussed in the agricultural section.

A development of great significance is the establishment of a jute research laboratory

under the auspices of the Central Jute Committee. The Committee's first annual report refers to the marketing survey instituted by the Committee and the improvement of statistical and other information. Agricultural and technological enquiries have been set on foot and the Committee have collected useful information relating to the trade with Agriculture. The future, however, is somewhat obscure as a few mills still display reluctance to enter the Mills Association as 'B' class members, and it is feared that even if a five-year agreement is signed and penalties imposed for any breach thereof, when any unusual stimulus to enlarge production appears, the smaller mills may extend loomage or work longer hours than the agreed minimum so that the problem of surplus production capacity would recur. Investors in jute mill shares have not lost their former diffidence as yet, and until the Association announces that an agreement covering the entire industry will regulate production, there is no ground for the belief that the industry has recovered its former strength and prosperity.

INDUSTRIAL SECTION:

THE INDIAN TEA INDUSTRY

Tea formed an important item in the East India Company's cargoes and the fashion of tea drinking that set in during the 18th century in Britain was satisfied by imports from China. China had a monopoly of supply and the East India Company found in this lucrative trade from the East one of its principal sources of profit. But demand was irregular, and in 1773, stocks were so heavy that part of it was re-exported to the American colonies where however, the opposition to the Townshend duties was so strong that the cargo was thrown overboard by the colonists celebrating the 'Boston tea-party'. Nevertheless, the trade continued to be important and in 1805 imports into Britain amounted to 7½ million lbs. In 1813, the East India Company lost its monopoly of trade when its charter was renewed. Owing to the entrance of competitors, an alternative source of supply was looked for and the company was engaged in trying to locate areas of cultivation. Both in the East Indies and hilly regions of India, the climate and soil were considered suitable, and in 1834 Lord William Bentinck's Government appointed a committee to examine the possibility of importing tea plants from China and developing plantations in other territories. But on the North-East Frontier of India, the valleys of the Himalayas and the Nilgiris, the land was discovered to be well-suited to the cultivation of tea, but the authorities were unaware that the tea plant was indigenous to Assam and that there was no need to bring in the exotic China plant. For some time, scepticism prevailed as to the actual chances of growing it in Assam, but in 1938, the advocates of the Assam variety announced that they had shipped eight chests containing 350 lbs. to England. A year later, the English market realised that India had entered the lists as a supplier of tea. In 1838, the Assam Tea Company, which is the largest tea plantation company working in India, had been formed, and Indian tea was offered for sale at the Mincing Lane auctions in 1839. The quality was criticised by brokers and efforts to get hold of Chinese instruction proved unsuccessful. The industry, however, continued to progress and in 1866 there were 39 gardens with an acreage of 10,000 employing 8,000 labourers and producing 1.7 million lbs. In the course of another decade, the industry advanced further and there were thrice as many gardens, the acreage increased by 80 per cent. and output increased tenfold. By 1906, further progress was made and the output was 12.4 million lbs. from an acreage of 50,000 while the number of workers had risen to 64,000. Progress continued on the same scale in the following years, and in 1915, the acreage under tea was 53,178, the output was 17.99 million lbs., while the number of workers had fallen to 42,300. The last was the consequence of the invention of Mr. William Jackson and the planting reforms of Mr. Christinson. The former introduced the rolling machine which rendered the slow and laborious process of rolling by hand and trampling it to dust under naked feet unnecessary. The latter evolved the measures necessary for preventing soil erosion on steep hill surfaces and for resisting the effects of drought. These were mainly responsible for India's getting ahead of China as a tea producer for export. The rapidity and magnitude of the advance is indicated by the following table:—

			Acreage (in 1000's)	Output (in million lbs.)
1901	...	...	524	201
1921	...	...	709	274
1924	...	...	714	375
1927	...	...	756	390
1928	...	...	776	404
1929	...	...	788	432
1930	...	...	805	391

During the same period, considerable success had attended the planting in South India and the Netherlands Indies too made a good beginning. In Ceylon, the coffee estates were almost wiped out by disease, and cinchona and later tea, was taken up by the disheartened planters. A promising beginning was made in 1880 and the island was able to export over 100,000 lbs. Five years later, the exports were over four million lbs. and in another five years the exports amounted to 45.8 million lbs. The acreage also increased from 406,000 in the first years of the century to 450,000 in 1929 while small holders also had about 20,000 acres under tea. Alongside of plantations in India and Ceylon efforts were made to start tea cultivation in Africa and in 1928-29 it was estimated that in Nyasaland, Kenya and South Africa there were about 16,500 acres under tea with an output of 2,645,000 lbs. Except in Natal, the African industry is of recent growth and during recent years production has increased further, not being subject to the Restriction Scheme. In spite of indifferent quality, the East African goods have been in demand for blending purposes and at London sales, partly on account of lower prices they have obtained some measure of popularity. Malaya has made only tentative experiments in tea cultivation, but the Dutch East Indies have now been established as rivals to India and Ceylon. In 1929 rapid progress had been made in both Java and Sumatra, the former having 230,000 acres and the latter 53,000 acres. During the same period China lost ground as an exporter of tea and became mainly a producer for domestic consumption. Vigorous efforts were also made by the Japanese to grow tea in Formosa conquered from China, and in recent years, the low grade Japanese varieties have proved strong competitors to cheaper Indian grades in neutral markets.

The methods of cultivation do not vary greatly as between different areas in India and the estates are usually similar in organisation and processes of manufacture too, though average prices realised by the crop may vary according to quality and district of growth.

CULTIVATION AND MANUFACTURE

Tea seeds take about eighteen months to grow to the stage at which they are fit to be transplanted. The tender shoots are not interfered with during that period; and then they are transplanted at the commencement of the rainy season into holes three feet apart and two feet deep. An acre of land can grow about 2,900 plants. As the plants require copious rains and complete drainage, too, in order that the water may not be in contact with the roots for a long time, only hill slopes are suitable for tea cultivation. Manuring is applied heavily direct to the roots. Weeding and hoeing have to be frequent, and nitrogenous green crops are grown in between the rows immediately after and before the rains. The tea plant left to itself can grow to the height of an ordinary tree; but the plant is kept by pruning to the height of two to three feet, both to force more tender foliage and to facilitate easy plucking. The picking commences in the third year; and the annual outturn per acre varies, according to the age of the plantation, from two to four maunds. The various kinds of teas referred to in the markets indicate whether a particular kind is a tender leaf or a coarse shoot. The buds yield 'orange pekoe" and "broken orange pekoe"; "pekoe" is derived from the tender leaves; and "pekoe souchong" is the product of the coarser leaves.

Picking has to be carried on by manual labour, particularly by women "who with quick eye and deft fingers rapidly choose and pluck the leaves, right and left hand operating simultaneously." The leaves are then taken with the minimum delay to the factory where they pass through several stages which are, in their order, withering, rolling, fermentation, firing, sorting and finally packing. The first stage consists in spreading out the leaves in thin layers for about 20 hours to develop and increase the enzyme. This process is so important as almost to determine the quality of the final product. The importance of this process and the details of the subsequent stages of the manufacture are best described by the Imperial Economic Committee :—

"The leaves are so spread as to allow of free upward and downward circulation of the air. Where climatic conditions allow, the sides of the building are open to the outside air. In some districts, owing to the humidity, it is necessary to wither the leaf in closed rooms, through which carefully controlled currents of air circulate, the object being not to raise the temperature, but to counteract the humidity of the atmosphere.

"The process of rolling twists the leaf and breaks open the cells containing the properties that give strength and flavour to the final product. The juices liberated by rolling form, when dry, a soluble extract which is released when the tea is brewed. The rolling may be so carried out that a proportion of the leaf is broken and goes to form, without any subsequent cutting, part of the "broken" grades which are now-a-days preferred for their superior liquoring quality.

"After being rolled, the leaves are spread out and left to ferment. Here, again, it is important to arrest fermentation at the right moment, for if it goes too far, quality and flavour will be spoiled. The fermented leaves, still damp and sticky, are now spread on the perforated or wire trays of a firing machine, and submitted to a hot air current for a short period during which they assume the black appearance with which everyone is familiar. In the course of the processes enumerated, the leaf loses 75 per cent. of its weight.

"The tea is now known as "made" tea, and is next vibrated through sieves of varying mesh and sorted into grades. It is important that the leaf in each grade should be even in size and true to type. Although there are no fixed standards for each grade, the differences between them are well known on the market and any mixture is soon detected. The sorted tea is then packed by machinery into chests and half chests. These are lined with lead or aluminium foil to protect the tea from the atmosphere, to which it is highly sensitive. Even so, tea is sometimes affected by juxtaposition in ships' holds with cases of fruits, such as oranges."

Alike in point of production and consumption, the tea industry is an industry of the British Empire. It lends itself to treatment as an Empire industry, as no other industry does. For, though, as we have seen earlier, the production of tea is spread over various parts of the world, over 70 per cent. of that tea is produced and nearly 70 per cent. of it is consumed within the Empire. Over two-thirds of the entire capital in the industry is owned by its citizens. All the machinery employed in India and Ceylon is of Empire origin. Even the tea chests are imported from Empire countries.

But what is most important in this context is that the Empire is both the producer and the consumer of the greater part of the world's annual output.

The world export position is summarised in the following table :

WORLD EXPORTS OF TEA IN 1928 AND 1929 (CALENDAR YEARS) IN MILLION LBS.

	1928.	1929.
India	355.5	380.4
Ceylon	236.7	251.5
Nyassaland	1.4	1.7
South Africa	.1	.1
Total from British Empire ...	593.7	633.7
Java and Sumatra ...	153.5	161.3
China (Black & Green) ...	76.8	73.0
Japan and Formosa ...	33.4	32.8
Total from foreign countries	263.7	267.1
Total from all countries ...	857.4	900.8
Empire percentage ...	69.1	70.3

The above table will bear out the statement with which we started that the industry is essentially an Empire industry and is peculiarly fitted for treatment as such. Unlike other Empire products which have yet to win and secure their place in the markets of the United Kingdom, tea has an assured place. Of the Empire countries, Canada gives a negligible part of the patronage to the non-Empire product. New Zealand is a slowly expanding market, with Ceylon taking the lion's share and Northern India coming in for a small bit. Australia is

giving more than 50 per cent. of her patronage to Java and relegating the Empire producers, and particularly India, to an insignificant place. Ceylon which exported appreciably more than Java in the earlier years has lost ground considerably ; and the relation of Australia to the Empire tea trade is less satisfactory from the standpoint of Empire producers. Outside the Empire, the United States of America derives its importance as potentially an even bigger market than Great Britain. In that country, Ceylon has the foremost place with Northern India following and Java as a somewhat distant third. But even if it were otherwise, the problem, so far as America is concerned, would be one, less of gaining a larger place for the Indian or Empire product, than of securing an expansion of consumption in a market on which all the producers have been looking wistfully for a long time

MARKETING OF TEA

The system of marketing which obtains in the tea trade is so peculiar that no apology is needed for a detailed and comparatively lengthy account of it. A considerable portion of the tea crop of India and Ceylon comes to Calcutta and Colombo for export to the consuming markets. As the gathering of tea is a seasonal operation in Northern India the producers have always felt nervous of throwing the output of the whole season on the market at the same time ; and by common agreement the crop is disposed of in weekly auctions. But the real centre of the tea trade is London not only because the United Kingdom is the biggest consumer of tea, but it is the entrepot of the tea, as of so many other, trades. The London market is, therefore, the nerve centre which determines the volume of demand at any time and the prices at every auction. The preliminaries to the London auctions will be described in detail later on. The tea is despatched by the garden managers to the local ports and the managing agents of the company owning those gardens consign it to their firms in London who, thereupon, became responsible for the marketing. There is, of course, the usual movement of the goods from the docks into the warehouses where they are held in bond till the payment of the duty. Barring the relatively small lots of China tea which are sold by private treaty, the bulk of the goods is put up for public auction. In such auctions, there are selling brokers who act for the managing agents and the bidding is done by buying brokers who are intermediaries acting for the grocers and dealers. The selling brokers draw samples from each break, test them and issue catalogues. There is an interval in which samples are exhibited in the sale rooms, selling and buying brokers from their idea of the value of each break, and the former receives instructions from their principals as to whether they are simply to sell at best or whether there is a given price below which they should not sell at all.

The practice in the London tea auctions which are the most peculiar feature of a peculiar system of marketing is described in the report of the Food Council of the United Kingdom :

In addition to acting as selling agents on behalf of the producer, selling brokers also do a certain amount of business on behalf of purchasers whose orders they have received before the auction. These orders are placed through the selling brokers' 'market men,' who appear in the box with the selling brokers, and bid precisely as do other persons in the room. We have been informed that the market man does not disclose his top price or his orders to his principal, but buys as cheaply as he can. If he disclosed the orders given to him in confidence by the buyers or brought at prices higher than the market, he would quickly lose hie business. Business of this character is principally done on behalf of smaller shippers who supply Continental orders. The market man receives a salary from the selling broker, and is therefore his employer, but he also receives ½ per cent. commission on purchase, this ½ per cent. being additional to the 1 per cent. received by the selling broker. Although on the face of it, it may appear unlikely that these market men can act in a dual capacity without prejudice to the interests of either selling broker or buying, we have received no evidence to the effect that the arrangement operates unfairly to either party.

"Generally, the selling broker acts in the interest of the producer, and his duty is to obtain the highest price for the teas placed on the market by producers in return for a remuneration of 1 per cent. on the selling price. We have received no complaints against selling brokers. They appear to carry out their duties with satisfaction to the trade and without detriment to the consumer. In fact, they form an essential part of the organisation for placing tea at the consumer's disposal.

"The immediate purchasers of most of the tea auctioned at Mincing Lane are the buying brokers. They number about a dozen and are members of the Tea Buying Brokers' Association of London. Some of these firms have been described to us as relatively big firms. Buying brokers do not normally buy tea to hold but resell later to dealers, blenders, and merchants at a commission of ½ per cent. In practice all purchasers of tea who do not pass their orders to selling brokers' market men (a procedure which is described above), buy tea through buying brokers, except that occasionally as a convenience distributors' representatives will bid in the room if their buying brokers are not present or are occupied, but the business is always put through the buying broker, and the buying broker is paid his commission of ½ per cent. We have been informed that during the last 40 years there has been a change in practice, and buying brokers now obtain a bigger proportion of the orders as compared with the selling broker than was once the case. Although the auctions are public, and nominally anyone is entitled to bid, it has been stated to us that if a bidder, not a recognised buying broker, were to enter the market, or, if one of the big distributors were to instruct his buyer to bid at the market, not through the intermediary of a buying broker, the buying brokers would 'run' the price with the object of securing that all sales of tea should pass through their own hands.

"According to the evidence given to us by the Tea Buying Brokers' Association of London, buying brokers assist the trade (1) by selecting suitable teas in public sale for their clients and submitting samples and valuations to those clients, (2) by executing part orders for a parcel, of tea and taking over the balance of the parcel, thus enabling the smaller dealer to obtain the tea he wants, (3) by executing confidentially orders for clients who very often have no time to attend the sale themselves, (4) by buying as cheaply as possible in the sale.

"The bidding for tea is done in pence and farthings per lb. and the same price is frequently offered by many buyers, none of whom may be

willing to raise his offer. The parcel then goes to the first bidder, and it will be of advantage to other buying brokers who need supplies to re-purchase the tea from him and divide the commission with him rather than to offer an extra ¼d. per lb. After purchase of a particular 'break' other buying brokers therefore frequently call to the successful bidder, and generally, if not invariably, the bidder divides up his consignment at the purchase price, sharing the commission of ½ per cent. with the other buying brokers. In effect, therefore, two sales are going on simultaneously in the same room.

"It often happens, however, that buying brokers in anticipation of orders from clients in the near future, will buy tea for which they do not possess orders. These teas are placed on a 'bought-over list' and, in fact, whatever quantity of tea is not resold by the buying broker in the auction room is normally placed by him on his 'bought-over list.' These lists are issued daily, and from them dealers, blenders and other distributors select the quantities and kinds of tea which they require.

"We are informed that many firms rely on the 'bought-over list' for their supplies, and it is claimed that this eliminates much competition from the auction room."

The system of marketing detailed above clearly suggests certain lines of adverse criticism. The buying broker seems to be, to all intents and purposes, an unnecessary middleman who tends only to increase the price of tea for the ultimate consumer. Secondly, it requires an uncommon effort of imagination to believe or realise that the selling brokers' "market men" can act in a dual capacity and be true to his duties, both to the buyer and seller, all at the same time and in the same transaction. Thirdly, though this is not a necessary result of the marketing system the buying brokers are only a dozen in number and this has led to the remarkable concentration of buying in a few hands. It is said that 70 per cent. of the distributing trade in Britain is in the hands of four combinations and this is obviously a dangerous state of affairs. The defects which have been mentioned above have found able apologies at various times. Of the buying broker it is said that he is a specialised middleman whose expert service must be of great advantage to his principal.

The selling brokers' "market men" are given the shelter of the ingenious contention that complaints have rarely been made against them. It is probably overlooked that in a trade whose control has been concentrated in a very few hands—and it must be remembered that the buying brokers control also many companies owning large tea plantations—it is not to be expected that any serious charges will be made or satisfactorily substantiated. But, committees which have required organisation of the Tea trade have stressed the need for a producers' combination which can act as a counter-weight to the combine that actually obtains on the demand side. We must mention here, with not a little regret, that there has been so far no evidence of an anxiety on the part of the producing interests to improve a system of marketing which cannot commend itself to the ordinary man on grounds of common-sense.

The fortunes of the industry during recent years have been governed by the International Restriction Scheme. The continued progress of consumption up to 1929 was followed by a sharp setback in the years of the depression and in 1933 the situation was so acute that it was recognised that rigid regulation was necessary. In 1933, the three leading producers, India, Ceylon and the N. E. I. agreed to regulate their exports in accordance with the standard quota based on the years 1929-31 and the committee set up to control exports contained representatives of the three countries. In new areas like East Africa no restraint was placed on exports, but fresh planting was forbidden.

Till 1935, the tea industry's position remained difficult and the quota was twice adjusted with deference to the lag between production and absorption. The quota for 1935 was lowered to 82½ per cent. of the standard, but India secured a concession in as much as exports to countries on her borders like Nepal and Afghanistan were treated as part of internal consumption. Production is largely governed by the Tea Control Act of 1933 and the volume of exports has shown little fluctuation, any deficiency being carried over to the next quota year. The year 1935 was hardly cheerful for the industry and the setting up of the I. T. M. E. B. was followed by very moderate results. But there was a fair rise in consumption and the future was regarded with some measure of confidence in the succeeding year. The increase of the tea duty in the British Budget of 1936 raised some apprehensions regarding the favourable trend of consumption, but during the course of the year prices were adjusted in some measure and the statistical position showed considerable improvement. The quota too was left unchanged at 82½ per cent. in November, and the economies effected by the managements of plantations were accompanied by an improvement in the margin of profit. The efforts to stimulate consumption continued on a broader scale and one of the salient features of the year was the conversion of the I. T. C. C. into the Indian Tea Market Expansion Board analogous to the International Board. Its representative character was broadened and the cess levied on exports was raised to a maximum of Rs. 1-8 per 100 lbs. by amending legislation.

The Indian tea market during the year was quiet but fully steady. There were welcome indications of a revival of foreign demand and prices were subject to a slightly rising tendency.

The beginning of 1937 saw a noticeable rise in London average prices and the movement was assisted considerably by an

appreciable fall in bonded stocks. Fears of an increase in the British import duty in the Budget of 1937-38 proved to be unfounded and the improving trend of prices has been well maintained. The raising of the quota to 87½ per cent. in May, 1937 is likely to increase world exports by 40 million lbs. The rise has had no adverse effect on prices, and the outlook if not very inspiring, remains moderately hopeful.

1937-38.

Tea was one of the commodities that was unaffected by the gold scare and the setback to trade that followed it. The progressive improvement in consumption was accompanied by a slight rise in prices and the Board of Trade's stock figures showed that the statistical position was not impaired by the extra release permitted by the quota increase. The production of tea in Northern India for 1937, exceeded 336 million lbs. showing a gain of 35 million lbs. on the previous year and exports for the year ended March, 1938, amounted to 334.4 million lbs. recording an increase of over 32.5 million lbs. on 1936-37. Remarkable stability characterised tea prices in both London and Calcutta throughout the year. A comparison of prices ruling in March, 1938, with those current in March, 1937, suggests that the fall in prices was really inconsiderable; during the whole sale season the prices realised were distinctly advantageous to producers. Export teas as usual experienced good demand and quality commanded support. Teas for internal consumption, in spite of fairly strong demand, did not show any appreciable improvement in prices. The principal feature was the further improvement in Indian consumption, the increase during 1937-38 amounting to 12 million lbs. With internal consumption showing signs of rising to 100 million lbs. within the next year, the industry is in a stronger position and propaganda has been justified by results. The advent of Prohibition in various provinces has stimulated the consumption of tea within the country, and the Indian Tea Market Board continued to devote special attention to the home market.

Two major events in the year are the renewal of the Restriction Scheme and the increase in the British import duty. Towards the end of 1937, the International Committee announced a further change in the quota raising it to 92½ per cent., and critics who had alleged that depleted stocks and curtailed supplies had propelled prices upward were left without a leg to stand upon. Consequential legislation passed in India appeared in Act VIII of 1938 which made India subject to the control of exports. The new scheme makes few changes and was well received by the Industry. As a corollary to the scheme for restricted exports, producers were invited to support a scheme of voluntary restriction of output so that the home market too would not experience any glut. More than 90 per cent. of producers were found ready to support the I. T. A.'s scheme.

The success of the propaganda which is a feature of the Restriction Scheme is to be noticed in the fairly definite improvement in U. S. consumption and the remarkable advance in tea-drinking in India itself. The war in the Far East reduced the competition of non-restricting countries for the time being, and the improvement in the industry's position is borne out by the higher dividends declared by the majority of Indian tea companies in respect of the past year. The increase in the British duty was not wholly unexpected, but the tea industry, while admitting the necessity for the increase, deplored the fact that it necessarily reduced the margin of preference. Over a year it had been found that quality teas did not receive enough support in the London market and common grades were in most request. Tea interests also noted that the duty might affect the trend of consumption and that the duty might have to be paid by producers instead of the consumers. Tea prices were raised in April, and to judge from the trend of auctions, the fears expressed some time ago, appear to lack foundation. The auctions have generally gone in favour of sellers and the stock position remains as healthy as in the last year.

The total exports from British India in 1937-38 were slightly below the permissible quota allowed under the quota scheme. The necessity for restriction, however, appears obvious because until the internal market can absorb at least half the production, the Indian tea industry will have to curtail output and exports cannot improve since the U. K. market is almost near saturation point and apart from Russia, there is no European country that holds out any substantial prospects. But no one can deny that at the end of the first term of restriction the tea outlook is greatly improved. The speeches at company meetings bear witness to the strengthening of optimism and the International Committee's work has been praised by the interests directly concerned. Over a year the industry has experienced quite favourable conditions and prospects may be said to have improved with the adherence of the smaller producing areas like Malaya along with three major producers to the restriction agreement.

INDUSTRIAL SECTION

THE COTTON TEXTILE INDUSTRY

India is regarded as the birthplace of the cotton textile industry, and even at present by virtue of its antiquity and importance it takes the first place among Indian industries. Alike in the capital sunk, in the volume of employment it provides, and in the net addition to the wealth and income of the country, it has hardly a rival among our industries. And what is more, it has a hold on the public imagination and affection that no other industry has. The decline of India's cloth manufactures since the latter half of the 18th Century was regarded as the symbol as much as the result of the country's political subjection, but its revival in the second part of the 19th century and its progress since, has been in the public mind equivalent to the progress of a political and economic emancipation.

The excellence of Indian cotton manufactures secured a market for them in Europe, two centuries ago and even the jealousy of English weavers, expressed in riots, did not make the East India Company give up the lucrative trade in calicoes. The growth of the Lancashire industry as the consequence of the industrial revolution in England accompanied by the neglect and ill-will of the governors of India make the old puissant industry of India a mere ghost of its former self, but after 1850 when the East India Company sought to stimulate exports of Indian cotton, many appreciated the advantages that the development of the industry would obtain on Indian soil if the mechanical improvements of the West were adopted. Bombay was designed by nature to be the home of the cotton mill industry and the first Indian mill was established by Mr. C. N. Davar and started work in 1856 though the Bowreah Cotton Mills Company established at Fort Gloster near Calcutta as an English company in 1818 has the distinction of being the first. In the next few years six more mills were started in Bombay Island and the industry had also secured a foothold in Broach and Ahmedabad where the first mill was started in 1859 under the management of Mr. Ranchodlal Chhotalal. The American civil war gave a fillip to the Indian mill industry and by 1880 appreciable progress had been made as may be judged from the figures below:—

(In thousands.)

Year		Mills	Spindles	Looms	Labour
1851	...	1	29	—	5
1866	...	13	309	3.4	7.7
1876	...	47	1,100	9.1	...
1877	...	51	1,244	10.3	...
1880	...	56	1,461	13.5	44.4

Statistical records of the progress of the industry since 1880 are more complete and the table below indicates the advance of the industry for the quinquennium period up to 1903-4 and for the two years thereafter:

Year	Mills	Capital (in lakhs)	Labour	Looms	Spindles
1878-80 to 1883-4	63	657.6	51.0	14.5	1610.6
1884-85 to 1888-9	93	887.9	75.7	18.2	2296.8
1889-90 to 1893-34	127	1161.1	116.1	25.3	3263.8
1894-5 to 1898-9	156	1419.5	150	36.6	4046.1
1899-00 to 1903-04	195	1687.9	171.6	42	5000.9
1904-5 ...	203	1757.5	196.4	47.3	5195.4
1905-6 ...	204	1719.7	212.7	52.3	5293.8

Progress in the succeeding years was well maintained and in 1913 the Indian industry had a complement of 237 mills with a total of over 6.2 million spindles and 90,000 looms. It is estimated that the output of the industry at the time was 688 million lbs. of yarn and 1,164 million yards of cloth as compared with 353 million lbs. of yarn and 422 million yards of cloth at the beginning of the century. Thus the beginning of the war period found the Indian industry a substantial one with crores of capital, mainly Indian, invested therein and affording work to

over 244,000 persons. It had shown remarkable expansion since its inception and had undergone in its later stages a change from one based on spinning to one embracing weaving, both of home-produced and imported yarn. Whereas spindles had increased by 39 per cent. looms had increased by 142 per cent. and the ratio of spindles to looms had fallen from 119 in 1898-9 to 68 per cent. in 1912-3.

Even more rapid was the progress of the industry during the Great War when the decline in imports assisted the progress of the industry though advance was hampered by the difficulty of obtaining plant and equipment from abroad. By August 1918, the number of mills increased to 252 with over 6.6 million spindles and 116,000 looms consuming over 2,085,000 bales of cotton. In the early years of the century the industry had an important trade in yarn with the Near East, Russia and the Far East, but the trade was lost through the remarkable advance made by Japan in textile manufacture and the enlarged demand for weaving purposes. 1917 is considered the most prosperous of the war years and high prices and large exports accompanied the rise in production.

The end of the war witnessed no diminution of prosperity and in the post-war boom orders for new and additional plant both for old and some new mills were freely placed when the Rupee value was fixed at 2 sh. But the exchange crisis left the importers unable to take delivery. In the piecegoods market also a very acute situation developed and indigenous goods were shunned as much as imported goods. The Indian mills' spinning production as mentioned previously was being elbowed out of foreign markets and this added to the difficulties experienced in the slump of 1921. The competition of Japan in piecegoods became a serious factor in 1922 and the depressed state of the industry received no help from the movement to popularise khaddar.

Shareholders in the mill industry after the intense boom experienced something like disaster and labour troubles accentuated the difficulties of the industry. These conditions led to the appointment of a Tariff Board to enquire into the industry with particular reference to the causes of the depression, whether permanent or temporary, and to examine the extent to which it was due to foreign competition and also advise on the necessity or desirability of protection. The Tariff Board confirmed the impression conveyed by the terms of reference that the plea for protection was made with far greater importunity by Bombay and Ahmedabad Mills than by mills situated elsewhere. And even as between them, more insistence was laid by the Bombay mills, for it was apparent that the industry there laboured under disadvantages imposed by higher costs, especially, wages, fuel and the distances from raw cotton areas and consuming markets. The examination of other questions revealed the contributory force of the loss of export markets like China, and the extent of competition from Japan was probably as serious as the losses occasioned by the growth of the industry in up-country centres.

The remedy which the Tariff Board suggested was the diversification of manufactures, and to this end, they suggested a bounty for stimulating the spinning of yarn of higher counts. The only action taken in regard to the majority and minority recommendations of the Tariff Board was the abolition of the duty on imported mill stores, for the Government stated, that on the facts as found by the Tariff Board, no case for protection had been made out. But as the result of protests and representations the Government issued a *communique* levying a specific duty of 1½ annas per lb. on imported yarn below the value of Rs. 1-14 per lb. when the rate was to be 5 per cent. *ad valorem* up to March 31, 1930. These concessions, which followed the abolition of hte excise duty (first imposed in 1894) in 1926 after prolonged agitation, had little effect. The fixation of the rupee ratio at 18d. gave foreign manufacturers a definite advantage and the recrudescence of labour troubles in 1928 and 1929 left the textile industry, particularly, of Bombay in an enfeebled condition. Requests for relief resulted in the appointment of Mr. G. S. Hardy to conduct an enquiry into the changes in the imports of cotton textiles and to advise on the possibility of substituting specific for *ad valorem* duties.

Mr. Hardy in his report confirmed the popular view of the intensity of competition from Japan and he pointed out that one of the results was to displace not only Indian but Lancashire goods. He reported against the change from *ad valorem* to specific duties as unsuitable. The issues raised in the report were examined by Government in conjunction with representatives of the Bombay Millowners' Association and the necessity of a certain degree of protection was accepted. As a consequence it was decided to raise the revenue duty on cotton piecegoods from 11 to 15

per cent. and under the Textile Industry Protection Act of 1930 they imposed on non-British goods an additional 5 per cent. for three years, and a minimum specific duty of 3½ annas per lb. on plain grey goods, British and foreign. But the action appeared to be governed, mainly, by revenue considerations, and the necessity for protection was left to be adjudicated by a Tariff Board enquiry.

The Textile Industry Bill had a rather stormy passage in the Assembly and an amendment made grey goods from Lancashire subject to the specific duty. The industry received some assistance from the intensification of the *Swadeshi* movement in 1930 and the surcharge of 25 per cent. levied by the supplementary budget of 1931 on all imports conformed some advantage in addition to the changes made in the March Budget when the import duty was raised to 20 per cent. on non-British goods. The emergency budget of 1931 raised the duty on rayon yarn from 10 per cent. to 18¾ per cent. and the duty on rayon and mixed goods was fixed at 50 per cent. and 34⅜ per cent. respectively after being subject to a duty of 20 per cent. in the previous seven months.

The import trade in textiles is one that is frequently the subject of both description and comment. The changes in its volume and distribution have been elucidated in statistics appended to this note besides the tables relating to India's foreign trade. The principal conclusions to be drawn from a glance at the tables is that the Indian industry, hampered though it is by many difficulties, has made remarkable progress, that the British manufacturer has lost his hold on the market and that Japan remains the most formidable competitior. The last has of course been the outstanding feature since Japan went off gold in December, 1931. In the middle of 1932, the value of the yen was stabilised at a very low value in terms of sterling. Depreciation of the yen exposed the Indian industry to increasingly rigorous competition, and in its representation to the Tariff Board appointed on July 25, 1932 the Bombay industry rested its case principally on the depreciation of the yen. The report of the Board on the question of the depreciated yen and the related charge of dumping (published in September) was preceded by the resolution of the Government deciding on the raising of the duty on non-British piecegoods to 50 per cent. subject to a minimum of 5¼ per cent per lb. on plain greys. But the higher duty was to be in force till March 31, 1933, and after the Tariff Board reported there was a further decline in the value of the yen which rendered obsolete the figures employed by the Tariff Board in its calculations so that by the middle of 1933 recourse was had to further action, following representations from British and Indian Chambers of Commerce and the duty on piecegoods other than fents not of British manufacture was raised to 6½ annas per lb. from 5¼ per cent. to 50 per cent.

This was not the last development in the triangular contest for the Indian market for which the Indian mill industry, Lancashire and Japan cater at present. At every step, action taken by the Indian Government sought to confer some differential advantage to Lancashire and protection was sought to be kept down to a bare minimum. Piecemeal action had little effect in removing the troubles of the industry, and the acceptance of the Ottawa Preference prior to the belated publication of the Tariff Board report was followed by British-Japanese discussions in regard to the Indian market. At the same time, as the Lancashire mission headed by Sir William Clare Lees visited India a Japanese envoy, assisted by expert advisers, was engaged in negotiating a trade treaty to replace the old convention denounced in April, 1933. The conclusions of the Tariff Board are set out in the appropriate place elsewhere in this volume and the only action taken by Government was to include the provisions of the Indo-Japanese trade agreement of 1934 and the Mody-Lees Pact in prescribing the tariff rates. The main principle underlying the former was to fix a quota for Japanese piecegoods imports and to see that it bore relation to the quantity of cotton Japan took from India. In the arrangement concluded between Bombay millowners and the Lancashire mission the claim that the Indian industry made to protection was conceded. A lower scale of duties on rayon goods of British origin was agreed to and India was promised that in colonies and British territories she would enjoy the same advantages as the British supplier of piecegoods. The most important point was an undertaking to increase takings of Indian cotton by Lancashire and the promise has been translated into the efforts of the Lancashire Indian Cotton Committee, whose representative Sir Richard Jackson has visited India twice, and interested English spinners in Indian cotton. Experiments at the Shirley Institute on most staple Indian cottons revealed its precise properties and increasing use has been made in Lancashire of Indian cotton

for spinning medium counts and for mixing purposes.

From time to time, the goodwill shown by Lancashire to Indian cotton has been the subject of publicity, and in recent months, great emphasis has been placed on this subject in relation to the negotiations for a new Indo-British trade treaty to replace the Ottawa Agreement which was denounced by the Indian Legislative Assembly in April, 1936.

Below is given a table relating to the imports of cotton and piecegoods into India in recent years. On an adjoining page is set forth the statistics of internal production. The latter reveals the continued expansion of home output, though the quantity of cotton taken is not subject to a similar rate of growth because the Indian industry has concentrated on the manufacture of higher count yarns and light fabrics. The increase in weaving output, particularly, of coloured goods remains a notable feature and the advice suggesting diversification and improvement of quality has been apparently taken to heart.

In 1935, a special Tariff Board was appointed to examine the effectiveness of the existing import duties, the level necessary to afford adequate protection against United Kingdom goods and yarn inclusive of rayon and mixture fabrics. The appointment was in response to the request of Lancashire suggesting that import duties should be adjusted in relation to fair selling prices in India. In the cold weather of 1935 the Tariff Board conducted its work, and Lancashire sent a delegation to tender evidence on its behalf in accordance with a provision embodied in the Ottawa Pact giving the U. K. or Dominion interest a right of audience. The Board finished its work before February, but the report was held up and its non-publication caused considerable anxiety. Towards the end of June, 1936, the Government of India released the report and put into effect immediately the tariff changes recommended. The duty on plain grey goods was reduced from 25 per cent. *ad valorem* to 20 per cent. or annas $4\frac{3}{8}$ per lb. whichever was higher to 20 per cent. *ad valorem* or annas $3\frac{1}{2}$ per lb. whichever was higher (2) the duty on bordered greys, bleached goods and coloured goods was reduced from 25 to 20 per cent. *ad valorem* (3) the duty on yarn of counts above 50s was fixed at 5 per cent. *ad valorem* and on yarns below 50s was to be 5 per cent. *ad valorem* or annas $1\frac{1}{4}$ per lb. whichever was higher. The Board considered that the existing tariffs conferred adequate protection to the Indian mill industry which had led evidence for an increase in the duties.

The immediate acceptance of the recommendations, without waiting for the legislature's sanction, caused acute disappointment, though the recommendations were not surprising, in view of the fact that, the agitation for concessions had been intensified. The chorus of representations against the report had little effect, but the tariff concessions led to no improvement so far as Lancashire was concerned, for a rise in cotton prices, the passing of the Spindles Bill and rising wages at home involved an adjustment of prices that rendered the tariff revision of no advantage as the import statistics indicate. But the criticism of the Government action was not lost sight of in the negotiations for a new trade treaty with Britain and one of the consequences of the criticism was the appointment of a panel of non-official advisers to assist the Commerce Member. Pending the signing of a new treaty, the Ottawa Agreement was extended and in September the advisory panel met to consider the proposals of the Board of Trade.

These were not the only changes in the year. Notice was given of an intention to terminate the Indo-Japanese trade treaty and negotiations were started to arrive at an arrangement to replace the pact of 1934. The Japanese Consul-General in Calcutta, assisted by technical advisers from Osaka acted on behalf of Japan and the distinctive feature of the negotiations was dilatoriness. Indian opinion generally favoured the conclusions of a new treaty to embrace all Japanese imports besides textile manufactures and the imposition of a quota on rayon yarn and piecegoods. Meanwhile the separation of Burma as from April 1, caused a complication and separate talks had to be conducted with a representative of the Burma Government. The new Pact was signed on April 13 after the expiry of the old Protocol, and except for changes in the percentage allotment of each class of goods the present treaty involves little of import to the domestic industry though it has been pointed out that the retention of the old quota is a bar to the further progress of Indian mills.

1937-38

The outstanding features in the history of the Indian Cotton Industry were the fall in Japenese exports during the second half of 1937 and the occurrence of widespread labour troubles. The local governments met the second by the appointment of enquiry committees which recommended an increase in wages. In Cawnpore, the labour award

proved inacceptable to the employers and a prolonged strike followed. In Bombay, the millowners accepted the wage increase under protest while in Coimbatore, the millowners have not disguised their opposition to the Court of Inquiry's proposals for an advance in wages. The mill industry has also watched with some anxiety the negotiations in connection with the Indo-British trade pact since the Lancashire interests have announced their intention to ask for a quota in conjunction with tariff reduction, without giving the assurance demanded in regard to Lansashire's purchases of Indian cotton.

But if prospects have been affected by world economic development, the period ended March 31, 1938 showed that the industry made healthy progress. The number of mills was lower at 370 and productive capacity was less, but the record consumption of raw cotton, facilitated by cheaper prices at home and larger imports of African cotton, showed that the increase in production shown in the subjoined table was again a notable feature. Due to the partial withdrawal of Japan, the mill industry was able to recover some of the former export markets and there was a substantial rise under both yarn and piecegoods exported from India, though the statistics which cover India's trade with Burma also may give an exaggerated idea of the improvement.

The establishment of a yarn exchange in Bombay last November contributed to the expansion in the home and export tradt and home consumption continued to improve. The contraction in imports had the effect of keeping Indian mills busy and there was extensive resort to double shift working in the latter half of 1937. Indian mills made further progress in the manufacture of finer fabrics and Lancashire could not compete effectively while Japan, because of the war in the East, and the rigour of exchange control, was doubly handicapped. Imports of piecegoods feel heavily under all classes as shown by the table below.

In the twelve months, April, 1937 to March, 1938, the quantities manufactured were 1,160 million lbs. of yarn and 864 million lbs of woven goods. These figures are compared in the Statement below with those for the corresponding periods of the two preceeding years:—

	Twelve months Apl. to mar.		
	1937-38	1936-37	1935-36
	1,000 lbs.	1,000 lbs	1,000 lb.
Yarn Spun ...	1,159,513	1,050,601	1,055,616
Woven goods manufactured ...	864,205	781,814	761,074

The quantity of course, medium, and fine yarns produced in Indian mills is compared below with the quantity imported by sea from foreign countries during March, and the twelve months, April to March, 1936-37 and 1937-38.

	Twelve months, Apr, to Mar.			
	1937-38		1936-37	
	Production	Imports	Production (a)	Imports (b)
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs,
Nos. 1 to 25	768,237	308	736,631	422
,, 26 to 40	294,976	3,007	243,765	5.250
Above No. 40	85,113	4,326	61,852	8,483

The production of Indian weaving mills consists chiefly of the descriptions of goods stated below with the quantity (in thousands of pounds and their equivalents in yards).

	Twelve months, April to March			
	1987-38		1936-37	
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Grey and bleached piece goods	226,094	184,831	194,909	900,680
Shirtings and longcloth ...	47,966	191,332	45,183	170,531
T cloth, domestics and sheetings	227,946	1,215,345	219,768	1,117.737
Dhuties Drills and Jeens ...	39,254	152,896	35,787	136,535
Khadi Dungri or Khaddar	38,638	126,621	29,653	126,440
Coloured piece goods ...	169,197	893,629	154,663	810,222

The following statement compares the production of piecegoods in Indian mills with the imports of such goods from foreign countries:—

	Twelve months, April to March			
	1937-38		1936-37	
	Production	Imports	Production	Imports
	1,000 yds.	1,000 yds.	1,000 yds.	1,000 yds.
Grey and bleached piece goods	3,190,[illegible]47	335,283	2,701,75	481,431
Coloured piece goods	893,629	255,515	810,222	282,554

Till the end of 1937, Indian mills had a very healthy stock position and orders for future deliveries were booked to a fair extent. Several mills in Bombay and Ahmedabad as also in other centres like

Cawnpore worked double shift, and the disposal of their increased production was facilitated to some extent by the revival in the export trade. Generally speaking, it can be stated that during the year 1937, the Indian Textile Mills made good progress, and the time can be said to have come when the mills should consolidate their position with the substantial profits which a bulk of them, at any rate, are likely to make. As regards the coming year prospects would be greatly diminished owing to the recommendations made by the Textile Labour Enquiry Committee appointed by the Government of Bombay to enquire into the affairs of the industry with authority to make interim recommendations regarding an increase in wages. This Committee has already submitted an interim report recommending an increase in the rates of wages in the Mill Industry in Bombay and Ahmedabad, imposing on it an additional burden of wages calculated at 9 per cent. for Ahmedabad, 11.9 per cent. for Bombay and 14.3 per cent. for Sholapur. The Mill Industry in Bombay and Ahmedabad has accepted these Ahmedabad Millowners' Association that interim recommendations, although it has stated that the wage .ncrease recommended is unjustified. In the words of the Chairman of the Bombay Millowners' Association, the industry accepted these recommendations, as it was generally agreed by the Bombay Millowners' Association and the Ahmedabad Millowners' Association that their acceptance for the time being was the only practical course in view of the terms of the Government's Resolution. The alternative would have been to face industrial troubles throughout the Presidency, particularly when the weight of Government support had been thrown in the scale on the side of Labour. This being the position, the two Associations recommended to the general body of members to pay wages at the increased scale recommended in the Report of the Textile Labour Enquiry Committee. It was decided to give effect to these recommendations as from the 1st of February 1938, which was the date fixed by the Government, even though it entailed a considerable amount of trouble in working out the increases.

During the year, the Indian Industry also introduced methods of rationalization with a view to increase efficiency and to reduce costs. The benefits of these improvements started accruing to the industry during 1937 when due to the operation of several fortuitous factors, it had respite for a time from external competition.

The first of these fortuitous factors was the partial elimination of effective Japanese competition from the Indian market. Earlier in the year the Indo-Japanese Trade Agreement had been ratified, by which the Indian quota of the imports of piecegoods from Japan was fixed at 283 million yards (as compared with 325 million yards of the previous protocol, the reduction being effected on account of the separate Burmese quota) linked with the Japanese quota of the offtake of Indian raw cotton at a million bales (the same as before. As Burma had ceased to be since April 1, 1937 an integral part of the Indian Empire, a separate Agreement had to be made with Burma by which the Burmese quota of the imports of piecegoods from Japan was fixed at 42 million yards coupled with the Japanese quota of the offtake of Burmese raw cotton at 65,000 bales. But during the year Japan could not make full use of the quotas on account of various factors related to her own financial and military policies.

INDUSTRIAL SECTION:

THE SUGAR INDUSTRY

Among the protected industries of India, sugar is unique in the fact that within five years of the grant of protection, it has made such progress as to promise self-sufficiency. India is now a leading producer whereas a decade ago she was one of the principal importers. The sugar industry in India has developed at an unprecedented pace, and the striking fall in imports during 1936-37 is convincing proof of the fresh records touched by internal production. In 1931, the Tariff Board recommended that in view of its agricultural importance, the sugar industry's claim for protection deserved sympathetic consideration. The Board recommended that in view of the efforts made by the industry between 1920 and 1930 to improve output by the best methods, encouragement was necessary. The Government of India accepted the findings of the Board and from January 30, 1932, levied a duty of Rs. 7-4-0 per cwt. on imported sugar. The revenue duty was changed into a protective duty and the industrialists and investors of India realised that a new era had dawned for the sugar industry, and the number of mills producing sugar rose from 32 in 1931-32 to 154 in 1936-37. The total production of sugar was over 1.2 million tons in 1936-37 compared with 478,120 tons in 1931-32 while imports dwindled to 23,000 tons as compared with 511,319 tons in 1931-32.

During the great depression, the sugar industry in other countries of the world suffered a severe setback, and Java had to restrict her output very considerably, following the loss of export markets. The international sugar conference held in April 1937, arrived at an agreement to ration the limited free market, and one of the terms of the agreement was a clause binding India to refrain from exporting sugar by sea to any country except Burma, but the Indian Legislative Assembly has refused to ratify the agreement.

In previous issues of the Year-Book a detailed account has been given of the post-war economics of sugar. The rise of beet sugar as a more formidable competitor than ever, being subsidised by most European Governments had rendered it impossible for tropical cane producing countries to find new markets or keep their former markets and the menace of overproduction has inevitably pushed prices down. Improved methods of cultivation had increased the outturn in Cuba and Java and the Chadbourne plan agreed to in 1931 aimed at fixing export quotas for the principal producers. Heavy stocks and tariff restrictions combined to keep prices down all through the last five years though in sympathy with other commodities sugar prices looked up by the end of 1936, there was no real recovery, and the last few months have witnessed a mild recession. The conference convened in London in 1937 failed to devise any solution that can provide a satisfactory remedy for the difficulties of the tropical island producers and were also compelled to point out that an international agreement will not prove satisfactory if each country decides to make itself self-sufficient.

During and after the war, the Indian industry languished and India which was in the nineteenth century an important exporter became a heavy importer. Subsidised beet sugar from Europe entered in increasing quantities and the Brussels convention adopted in 1904 had only this result. India became an importer of cane sugar from Mauritius and later from Java who was shut out of the U.S.A. by the preference given to Cuba. In the Far East, Java had a serious competitor in Formosa, whose plantations were developed by Japan, and the Indian market became her stand-by. In spite of a high revenue duty, imports into India increased steadily and out of a million tons imported in 1929-30 about 80 per cent came from Java. It is only since then that imports have fallen away as the result of a number of factors. The most important of them are the reduced purchasing power of the Indian consumer owing to the exceptional severity of the depression,

and the tariff restrictions following the Tariff Board enquiry, and prior to that, the exigencies of Indian Governmental finance which looked to the sugar duty as a sure source of revenue and raised it from 5 per cent to 10 per cent in 1916 and later in 1921 raised it to 15 per cent. A further increase to 25 per cent. *ad valorem* was made in 1922. Consequent on a fall in sugar prices, the import duty was converted into a specific duty of Rs. 4-8 per cent. This was raised to Rs. 6 per cwt. in 1930 and in 1931 a further increase to Rs. 7-4 per cwt. was made while the emergency Budget of September 1931 involved the imposition of a surcharge of 25 per cent so that the duty was raised to Rs. 9-1 per cwt. In the 1937 Budget there has been a change and the surcharge has been raised to equal the excise duty of Rs. 2 per cwt. so that the present duty is now Rs. 9-4 per cwt.

The Tariff Board recommended protection for 15 years though at the end of 7 years the renewal of protection was to be determined by a tariff enquiry. The scheme of duties was based as usual on a calculation of fair selling prices and the Board considered that Rs. 8-13-1 per maund could be taken as a fair price of sugar. The progress of the industry in recent years has been accompanied by a gradual reduction in prices, and in recent months there has been a substantial difference in favour of the home-produced article against Java sugar.

The Board attached importance to the agricultural aspect, and thanks to the labours of the Council of Agricultural Research a progressive improvement in the quality of cane and the introduction of new varieties in the important cane areas of India have been noteworthy features. Complaints that the cane-growers did not receive a fair return were satisfied by the fixation of minimum prices in Bihar and U.P. by the Local Governments in accordance with the rules framed after consultation with the interests concerned. The expansion of the industry was only slightly affected by the imposition of an excise duty in 1934 in order to make good the loss of revenue to Government following the serious fall in sugar imports. Another motive inspiring such an action was to check the pace of advance, but in the next two years there was a further increase in the number of mills and the output. The progress of the industry since 1931-32 is set forth in the following table:

	Mills	Factory	Gur	Khandsari	Total	Imports
1931-32	32	158,581	69,539	250,000	478,120	511,319
1932-33	57	210,177	80,106	275,000	645,383	365,707
1933-34	112	453,965	61,094	200,000	715,059	249,776
1934-35	130	578,115	89,103	150,000	767,218	220,233
1935-36	137	912,100	50,067	125,000	10,87,167	198,888
1936-37	146	10,75,000	32,300	100,000	12,07,800	23,000
1937-38	154	10,50,000	25,000	60,000	11,35,000	20,000

In the last two years, notwithstanding the rise in output the sugar industry has been faced by a number of difficult questions arising from internal competition. The rate of increase in factories has slowed down and the increase in the excise duty in 1937 from Rs. 1-5 to Rs. 2 per cwt., despite the protests of the Indian legislature, has placed an additional burden. But anyway, progress has been made and more than a fifth of the world's sugar production is now credited to India and one of the most favourable features has been the improvement in the percentage of recovery. The increase in production has caused serious difficulties in the market and since August, 1936 complaints of a glut and undercutting of prices have been common.

As we mentioned last year the industry's development hereafter is dependent on a solution of its main old problems, although internal consumption has not reached saturation point, there is little scope for any marked increase, which are inclined to view any development of exports as impracticable. The solution of technical questions relating to molasses, marketing and technological research alone can lead to a reduction of costs and an improvement in quality is also one of the first desiderata. Since August 1934 attempts have been made by sugar producers to devise a marketing scheme for the avoidance of wasteful competition by apportioning markets, and also compel the reduction of imports to retain and develop the Indian market for Indian sugar. Differences, however, arose and the scheme failed to find favour. During the last year hopes of starting the scheme revived again and it was only the different situation precipitated by the unexpected addition to the excise duty that compelled the Indian Sugar Mills Association to take up the idea of forming a syndicate to regu-

late sugar supplies and prices. This has certainly been the outstanding development of recent months and it may also to claimed that the new spirit of co-operation has enabled the industry to present its case for the renewal of protection most successfully.

The principal features of the preceding year were the continued increase in mills and an advance in output. The year shows an increase in the acreage under cane placed by the final forecast at over 4.4 million acres of which 3.5 million acres were under improved varieties but for the next season there will be a reduction in the acreage. The estimated output for 1936-37 was 70 million tons of cane and the outturn per acre was considerably higher at 16.5 tons. The crop in the U.P., was affected only slightly by the heavy floods of 1936 and in Bihar the crop was well above average. The estimated output of raw sugar in 1936 increased from 6.1 million tons to 6.9 million tons. A larger percentage of the cane grown was utilised in cane sugar factories, but the bulk of the crop as usual was used in *gur* manufacture. The annual import declined to 23,075 tons, whereas the Government of India estimated that imports reach 110,000 tons. The devaluation of the guilder in October had no sensible effect on sugar prices, and fears of large imports from Java were not fulfilled. The annual internal consumption did not show any increase, being stationary about 1.1 million tons. The total production in 1935-36 was about 1.075 million tons, and even with the better economic conditions prevailing last year, consumption did not expand to any extent, and the estimated annual output for 1936-37, namely, 1.2 million tons will possibly exceed the demand.

The prosperity of previous years was not in evidence, and the financial results of the leading mills suffered by comparison with preceding years. The sugar market was in a state of suspended animation and heavy accumulation of stocks induced a general decline in prices. The industry convened a conference of manufacturers early in January, but no agreement resulted between the trade and the factory owners. The former complained of inferior quality and sharp practices, while the latter criticised the unhelpful attitude of the merchants. A slight rally in world prices towards the end of 1936 had no stimulating effect on prices in India and the industry again took up the question of organising the selling arrangements. A great surprise was in force for the industry in the 1937 Budget. The Finance Member in order to recoup the loss occasioned by the fall in imports of sugar raised the excise duty from Rs. 1-5 cwt. to Rs. 2. The defence of the step only increased criticism and in spite of the legislature's disapproval the excise was raised to Rs. 2 from March 1. Native States also raised the excise to the higher level, and the spokesmen of the industry who had expected some relief were pained by the negative attitude of the Finance Member who observed that one effect of the higher excise would be to weed out inefficient producers. A more important event was the appointment of a Tariff Board to enquire into the necessity of the renewal of protection for a further term of seven years. The Board which started on its work in May consisted of Sir G. T. H. Bracken, Mr. F. I. Rahimtoola and Dr. L. C. Jain. It has lately finished its sittings and the evidence presented has largely favoured the retention of the tariff.

The difficulties of the industry after the commencement of the year were intensified by the failure of demand and prices to respond and the imposition of the higher excise induced a feeling of despair. Bihar factories decided to curtail the working season while the southern U. P. factories also decided to end the crushing season by April 15. The Local Governments concerned regarded such a decision with alarm, for the bulk of the crop was yet to be treated and even if cane prices were low, the ryot had little chance of disposing of his crop to advantage. The minimum prices were reduced and railway companies were prevailed on to reduce freight. The factory-owners were persuaded to crush cane up to the end of May as usual, and only the reduction in cane prices had the merit of offsetting slightly the burden imposed by the higher excise.

The industry, however, is now more conscious of the unity of interests and the Indian Sugar Mills Association held a conference during April 1937 at Calcutta to examine the position of the industry. The marketing scheme was investigated and as a result of efforts the Indian Sugar Syndicate was established in July. The duty of the Syndicate will be to reduce fluctuations in prices, take over accumulated stocks and stimulate consumption. The formation of the Syndicate had a favourable effect on prices though the traders are disposed to watch its working before considering that the scheme is the first step in voluntary rationalisation of the industry. The Agricultural aspects of the sugar industry re-

ceived considerable attention at the Sugar Conference held under the auspices of the Imperial Council of Agriculture.

The idea of 'Zoning' of the cane supplies commanded considerable attention and the problem of raising prices through the improvement of marketing methods also was discussed at length. The I.C.A.R.'s Marketing Adviser at present is engaged in marketing survey and the H. B. Technological Institute of Cawnpore is to be strengthened soon by the addition of marketing experts. Doubts expressed in regard to the limits of cane cultivation reflected the lack of confidence and the fall in 1937-38 acreage will certainly be viewed with relief. The sugar manufacturer's problems have also received greater attention and the central marketing scheme long adumbrated is sought to be realised through the Central Syndicate which was established after the held in April 1937. The Syndicate has arranged to take over all surplus stocks and by preventing forced sales has succeeded to some extent in maintaining prices.

The problems of the industry remain the same as last year. In the last edition of our Year-Book, we stressed the urgent need for organisation and stabilisation. Prices during the past year have been lower and though good cane at low prices has been readily forthcoming, the U.P. factory owners have not been too eager and worked this season only at the request of the interim Minister. The question of disposal of molasses has become more acute after the levy of a higher excise duty. Except in Mysore State, no considerable results have been achieved in the utilisation of molasses but the question of preparing power alcohol is now receiving increasing attention. Allahabad experiments on the uses of molasses as a fertiliser indicate another promising outlet, and the Forest Research Institute is considering the prospects of using bagasse in the manufacture of paper. The industry's problems will have to be largely solved by concerted voluntary effort, for the Government, beyond providing the initial facilities at the Technical Institute at Cawnpore and the cane research stations for the work on the agricultural side probably expected the industry to undertake independent solution of its problems.

1937-38

The sugar industry's experience in 1937-38 was not uniformly favourable, and a spokesman of the industry reviewing developments over the year drew attention to other questions besides the delay in the publication of the Tariff Board report. The most arresting features of the year are the progress made by the Central Syndicate in the matter of stablising sugar prices and bringing the trade back to their normal conditions and the efforts made to bring back order into the industry by the governments of Bihar and U. P. The Bihar Ministry passed legislation, which had the support of a fairly large section of the industry, with a view to regulate production and assure cane-growers of a fair return. A measure on the same lines was accepted by the U. P. legislature, and in spite of widespread criticism that the degree of control aimed at was too ambitious, the control laws came into force immediately after their passage by the legislatures. Equally important in some respects was the appointment of committees to examine the question of manufacturing power alcohol, especially, after the advent of prohibition in more than one province which implies the closing of distilleries. The U. P. Committee recommended that alcohol from molasses should be given special advantages, while a similar committee in Bombay came to the conclusion that the making of alcohol for fuel was not a practical proposition. The sugar industry's problem, if unsolved, have not grown more acute, and though the trade has received some support from the slight fall in production and acreage in 1937-38, the troubles have not been overcome completely. The Syndicate met with some success in levering up prices—the average index for sugar rising from 99 in May 1937 to 132 in May 1938—while the year witnessed a steady reduction in stocks at all centres. But this mild revival was partially offset by the advance in cane prices which the local governments held should some first, and reference should also be made to the scarcely improved world outlook for sugar since the International Council was compelled to cut quotas and resistribute percentages in July 1938. The protection issue may probably be decided in favour of the Indian industry, and in the budget session of 1938 provision was made for the temporary renewal of the import duties on the old basis for a year. There was a further fall in imports total takings for India excluding Burma amounting to 14,400 tons only during 1937-38. To judge from the output figures, the decrease should have been made good by home production. The more important issues have not been settled, and the lack of export outlets consequent on the increase of output to over one million tons referred to and the higher per-

centage of recovery in Indian factories in recent years cannot be forgotten. The reluctance of the Indian sugar industry to accept the international agreement arose from this, though the Government of India were insistent on its acceptance and objections were overruled.

Difficulties experienced during the crushing season, the extension of the period or reduction thereof, explain the small fall in the total production of sugar direct from cane in 1937-38. Out of a total of 154 factories, 17 did not work and the experimental unit intended for training has been left out in the following note based on R. C. Srivastava's memorandum. Most of the 136 factories at work finished their crushing by the end of April, while the season started about a week later, no factory starting work before November 8. In Bihar the season closed about seven weeks earlier owing to shortage of cane compared with 1936-37. The average duration was 112 days for the whole of India as compared with 138 days in the previous season. But the daily output owing to the increase in tonnage crushed was higher than in the previous year. The production of sugar totalled 930,700 tons as against 11,114,000 tons in 1936-37. The decrease in the total output of sugar is rather high amounting to 180,700 tons equivalent to 16.3 per cent. In the U. P. production fell by 12.7 per cent. while in Bihar the decrease was as high as 31.5 per cent.

The reasons assigned for the fall are: (1) Shorter season, (2) reduced supply and inferior quality of cane owing to damage by pests in some parts of the U. P. (3) the Bihar season, being as short as 95 days owing to the inadequate supply of cane. The total quantity of cane crushed amounted to 9,916,400 tons and the sugar produced amounted to 930,700 tons. Molasses produced amounted to 349,600 tons and the average percentage of recovery was 9.38 compared with 9.5 in the previous year. But five factories had a recovery of over 11 per cent. and nearly all the Bihar factories had recoveries of 9 per cent. and over. Up to 1936-37 the recovery percentage has been steadily improving and the setback last year may prove to be temporary. As was explained previously the year was a difficult one especially for the U. P. and Bihar Shortage of supply and lower quality in the U. P. and insufficient supply in Bihar affected the output. Since the local governments have raised the minimum prices for cane in these two provinces, it is very likely that there will be an increase in the acreage and outturn of cane in this season. The steps taken for allotting zones, for the regulated supply of cane to factories and the undertaking of development work for improving the quality of cane should in course of time help to assure fuller employment and prosperity for the mills.

INDUSTRIAL SECTION:

THE IRON & STEEL INDUSTRY

The iron and steel industry has come to occupy a more important place in Indian economy and the public has been prepared for a great expansion of the industry in India during the past year. The flotation of the Steel Corporation of Bengal in May 1937, afforded a gratifying indication that the industry would continue to develop, and the Tata Company's progress in 1937 was such as to inspire the hope that when the existing tariff concessions are withdrawn, the industry would be able to stand on its own legs. The prospects of iron and steel, thanks to the rearmament policy of European nations, were never brighter and the Indian industry's position too has shown considerable improvement. The industry has great natural advantages and Mr. Dunn of the Geological Survey of India has lately drawn attention to the mineral resources of the Singhbhum District of Bihar which can be compared to the northern part of Ontario. As regards iron ore, limestone and coal, India is now considered to possess great advantages and the adverse experiences of the small units working in the 19th century is now belied by the great success attained by the Tata Co., and the Indian Iron and Steel Co. The proximity of good class coal to the iron ore deposits must be regarded as the main factor making for rapid progress and although there have been fears that the coking coal supplies in India may give out, proposals aiming at the conservation of the country's coal resources now render it improbable that the industry's advance will be retarded by any shortage of the right kind of fuel. In Europe and America, transport costs are appreciably higher and the cheapness and quality of Indian iron ore and its proximity to coal fields are not equalled in any other country. Nature has done more than her share in providing the essentials for the iron and steel industry and so far as labour is concerned, experience has gradually provided a trained labour force whose efficiency is gradually rising. There has never been any fear as regards any shortage of the volume of labour and the iron and steel industry during the last year has done enough to guard itself against labour unrest in any form.

India's increasing consumption of iron and steel makes any anxiety concerning markets almost superfluous. India has been a large importer in the past and the domestic production can only satisfy part of the existing demand. On the other hand, there has been a shrinkage of imports owing to the reluctance of supplying countries to provide anything like the previous quantity and the shortage of supplies and the advance in prices have combined to confer a reasonable degree of security and an assurance of profitable working for the Indian industry. Apart from the existing demand, the increasing industrialisation of the country makes it certain that the demand for iron and steel and manufactures thereof will not decline but will increase considerably. The substantial progress made by the subsidiary industries established in conjunction with the iron and steel industry during the past few years affords a reassuring indication of what a prosperous steel industry can do for the country. The benefits obtained by the tinplate industry, the wire and nail products industry during the past year have been real and tangible. The wagon-building industry too has now turned the corner and the Indian railways' renewal programme spells a period of activity and prosperity. The plants of the subsidiary companies located round Jamshedpur are all likely to share to the fullest extent in the prosperity of the parent industry. The foundries and workshops scattered over all provinces are also likely to experience the benefits accruing from the expansion of iron and steel production after a period of depression in which progress was at a relatively slow pace compared with the very substantial expansion

of the steel industry in America and Europe. Round Jamshedpur, as the reader is aware there are numerous plants based on the iron and steel produced by the Tata Company and their progress in recent years despite unfavourable trade conditions is indeed a happy augury of what is to come. The industries, which have followed the establishment of the iron and steel industry at the main centre, are the most complete indication of the potentialities of industrial development in this country and the great natural advantages of the iron and steel industry and its growing prosperity have come to reinforce the hopeful prospects that these subsidiary industries have now before them.

The iron and steel industry was the first to be investigated by the Indian Tariff Board. The Board appointed in 1923 reported in favour of protection and the Indian Legislature passed an Act recommending the levy of specific duties on imported iron and steel materials and the grant of bounties for the manufacture of rails, fishplates, etc. The engineering side also received the benefit of 25 per cent. duties on fabricated steel and the Act also made provision for the protection of the recently born tinplate and wire and nail industries. The scheme of protection was revised in consequence of a heavy and unexpected fall in Continental steel prices and the rise in the rupee exchange to 1s. 6d. The Tariff Board recommended an increase in the duties on imported fabricated steel. The Government of India accepted the findings, but held that a scheme of bounties was preferable to the steep increase in duties recommended, and the Board itself approved the proposal to grant a bounty up to Rs. 50 lakhs on steel ingots produced.

Subsequent tariff board enquiries adopted the scheme of bounties introduced in October 1924 and an act of the Indian legislature in 1926 amended the former Act and provided for higher specific duties. A later enactment in 1927 extended protection till 1933-34 and conferred power on the Governor-General-in-Council to increase the duties, if protection was threatened by dumping. Prior to this, the statutory enquiry of the Tariff Board reviewed the working of protection and recommended two scales of duties, basic and additional, the former applying to British manufactures and the latter governed by the prices of Continental manufactures. Though the margin of protection was based on the Board's view that all possible encouragement to Indian Steel should be given through State purchases found favour, and in the case of fabricated steel also, the Board held that the use of Indian products should be encouraged by the railways and other consumers. Tariff changes since 1927 were not of any moment and the revenue duty on imported pig iron also was retained. The progress of the Indian industry was examined from time to time by the Tariff Board in connection with inquiries in relation to the wire and nail, tinplate and galvanised steel industries.

The working of protection was investigated thoroughly by the last Board appointed in August 1933 and its conclusions deserve to be set down. The Board considered that the scheme of protection adopted in 1926 had proved successful and that the expected reduction in prices had been effected and that a stage had been reached when on all articles sold by the steel company in competition with Britain, it was possible to say that on imports either no protective duty is required at all or if any is required, the rates may be lower than the normal rates of revenue duty. The Board added that if Continental steel products were sold at fair prices the Indian industry could well stand their competition, and that the duties which were needed were more in the nature of anti-dumping than protective duties. The Board recommended a duty of Rs. 43 per ton on the imports of untested structurals from the Continent: Rs. 10 per ton on British bars (tested): Rs. 39 per ton on Continental untested bars: Rs. 25 per ton on untested plate from the Continent. On rails, fishplates, structurals and tested plates from Britain the Board recommended no duties. On black sheets (tested) from the U. K. the Board recommended Rs. 10 per ton and Rs. 32 per ton on imports from the Continent. Galvanised sheets were recommended to be subject to an import duty of Rs. 10 per ton, irrespective of the country of origin. On imports of fabricated steel from countries other than Britain a duty of Rs. 40 per ton was recommended. The Board advised a duty of Rs. 38 per ton on British tinplate and Rs. 57 per ton on Continental. On imports of wire nails, the scale recommended was Rs. 25 on British and Rs. 60 on foreign. A duty of Rs. 57-8 per ton was recommended on cast iron pipes imported from foreign countries, while British pipes were to be allowed free entry. The more important part of the Board's proposals related to the recommendation that even the revenue duties on rails and tested sructurals should be removed or in the alternative, contervailing excise duties should be levied on internal production. The Government of India accepted the recommendation of the Board, but preferred equalising duties to the removal of the revenue duties. The principle laid down in 1929 and followed since, that in the main,

the amount of protection should be the difference between two prices (1) the c.i.f. price at which foreign steel is likely to be landed in India without duty and (2) the price at which the Indian manufacturers can sell at a reasonable profit which was termed the fair selling price. In the 1933 report also, the Board based its recommendations on the same principle after reviewing the working of the protective scheme in force for the previous seven years. The Board noted the larger share of the Indian market now supplied by Indian manufacturers. The share obtained by the Tata Company rose from 30 per cent. in 1927-28 to 72 per cent. in 1932-33. Imports were consequently reduced and foreign plants were working at a level much further below their capacity compared with Tatas.

The reduction in costs obtained by the Tata Company as a result of expansion and experience formed the subject of approving remarks, but the view that even the revenue duties were superfluous induced the Government to levy an excise duty of Rs. 4 per ton on steel ingots and countervailing duties on imports by the Iron and Steel Duties Bill of 1934. The Board's report was the subject of serious criticisms, and the objection in principle to differential duties, the introduction of Preference by the back door, and the practical termination of protection formed the main points of attack. In the succeeding year the industry passed through a period when the effects of the tariff changes made themselves felt. Imports increased and domestic production was affected to some extent by the levy of the excise duty. Prices too were lower and the Tata Company had to work for a reduction of costs in order to bear the excise duties, which amounted to Rs. 35 lakhs and also the lower level of prices while freight rates also, especially, on the E. I. R., proved a source of disadvantage. But the Company increased the efficiency of the plant and raised the output thereby. Equipment was kept in first class condition and a second sheet mill was brought into production. Better results were obtained from the coke plant and a battery of coke ovens was under construction.

The progress made by the Company was reflected in the resumption of dividends on the ordinary and deferred stock last year and the higher dividends declared in respect of 1936 are an index of further progress. and prosperity. At the annual meeting of the Tata Company's shareholders Sir N. B. Saklatvala made reference to the fact that the Company was in a position to finance development out of earnings, and expressed the view that the adoption of a profit-sharing scheme as a mark of confidence in the labour force should yield valuable results. The Chairman of the Company referred to the completion of the new steel mill, and said that with the mill in operation and the possibility of manufacture at the lowest possible cost, India should be practically independent of all imports. The proposed tube plant to be worked in conjunction with Messrs. Stewarts and Lloyds and the construction of a hoop and strip mill formed the subject of optimistic remarks and the efficiency of the old furnaces and ovens and the adoption of the latest methods for the proposed developments were also mentioned in the Chairman's review.

The progress of the Tata Company in the past year does not form the principal feature. 1936 will be memorable for the reconstruction of the Indian Iron and Bengal Companies. The merger and reorganisation of capital has been the subject of a special supplement of *Indian Finance* in which attention was drawn to the prospects of pig-iron and the proposals to concert arrangements to establish a steel plant in co-operation with Tatas. After protracted negotiations, the scheme was abandoned, but while Tatas decided to carry out their own scheme of development independently, Indian Iron also decided to prosecute their scheme and sponsored the formation of a new plant at Hirapur to work with the hot iron provided from its furnaces and also to give facilities as regards land, water and lighting, etc. The Steel Corporation's promoters have promised that the work of installing plant and equipment should be completed in 2½ years and the annual output of 200,000 tons from the new plant will be an important addition to the Indian steel industry's production.

1937-38

The iron and steel industry's development proceeded uninterrupted, and the flourishing condition of the Tata Iron and Steel Company was responsible for a striking increase in dividend payment in respect of the last year. The industry all over the world—America being a significant exception—maintained its former high state of activity, and the success with which prices were maintained in Britain, although demand has continued to shrink since the beginning of the year 1938, ensured a high level of earnings far nearly all produces. There was a small increase in imports from abroad the total being 371,600 tons against 362,800 tons of which protected varieties

accounted for 221,700 tons againstt 217,400 tons. The outstanding feature was the strong rise in the production of finished steel—the year's output being 822,900 tons compared with §91,700 tons while the production of steel ingots showed a parallel growth from 860,700 tons to 921,800 tons. Pigiron output showed a further increase, and last year's total output of 1,644,000 tons showed that Britain was not the only country to put forth record production figures. Exports of pigiron advanced during the year from 574,600 tons to 629,200 tons, the rise being explained by the acute scarcity of scrap in the first half to the year and the fact that Japan's military commitments in China necessitated a further increase in her takings. A singular stability of prices characterised the market, and the increases made last August were maintained for all kinds of manufactures, with the exception of galvanised sheets, whose prices were reduced in January when it became evident that the world demand as well as home demand was undergoing a sharp change for the worse.

The higher output of pigiron was absorbed largely by the expansion in steel production, but the accumulation of stocks emphasises the necessity for caution in assessing the outlook. The renewal of the international cartel agreement in June up to the end of 1940 has proved a sustaining factor and the revival in U. S. steel mill activity has for the time being put an end to gloomy forebodings.

The most satisfactory feature of the year was the completion of the extensions to the Tata plant and the beginning of the work at Hirapur for the new Bengal plant. Although the Indian Iron and Steel Company's works were rendered idle for some time owing to protracted labour trouble after the beginning of 1938-39, the Jamshedpur works remained busy throughout the year and afterwards, and the Tata Company's timely concessions averted labour trouble which threatened to affect the steel industry also. The success of the Tata Company in overcoming the feeling of unrest, which affected the subsidiary industries located at Jamshedpur, was materially assisted by the higher bonus available to the company's workers under the profit-sharing scheme, and the Chairman at the annual meeting exhibited a feeling of confidence as regards the future reviewing the very satisfactory course of production and prices in 1937-38. The further progress made with reference to plant extensions and the company's success in carrying out the development programme furnished the grounds for Sir P. Thakurdas' confident view of the future. Home production of iron and steel continues to grow, and if the tariff has not been a material factor in its development, the industry appears to take the view that in a few years India will be self-sufficient in respect of her requirements of iron and steel. The increased use of iron and steel in India, pointing to a normal healthy expansion of demand, should prove also a sustaining factor, and in the case of the iron and steel industry, the anticipation that the improvement noted in 1936-37 would continue into the next year has been fulfilled. The slackening of foreign competition has assisted the development, although in a few years this may revive, the industry continues to strive for higher efficiency and economy. There is every indication that the anticipation of its future independence of tariff advantages will be realised. The smaller establishments dependent on supplies of semi-manufactures had also a good year in almost all cases, and 1937-38 may be described as an iron and steel year, particularly, in view of the keen and continuous interest taken by speculators and investors in iron and steel shares. There is every indication tthat in the current year home output will be maintained and the pigiron export trade too is not likely to show a very big change as Japan has entered into a long-term contract for supplies from the Indian Iron Company. Exports since 1938-39 began have been maintained satisfactorily and the changes in the British import tariff made to assist home producers of pigiron may have no influence at all on the Indian industry.

The iron steel industry s output for 1937-38 showed fewer monthly variations than in 1936-37. Pigiron output rose from 1.55 million tons to 1.64 million tons. Steel ingot output rose from 860,700 tons to 921,800 tons and finished steel (including semis except blooms, billets and slabs) advanced from 691,700 tons to 822,900 tons. Production figures for the first two months of 1938-39 compared with the corresponding figures of 1937-38 suggest that the trend is still upward, and that the period of active and prosperous conditions has not come to an end. This conclusion is warranted by the evidence relating to the reduced imports of protected iron and steel in April and May. Progress and prosperity have coincided in a striking manner in the last two years and the promise of accelerated development in the next few years is likely to be fulfilled.

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INDUSTRIAL SECTION:

THE INDIAN PAPER MILL INDUSTRY

The Indian paper industry is somewhat unique amongst the protected industries of India in that, in this case, the production of the requisite raw material has to be stimulated by special efforts even as to the production of paper itself. The question first came up before the Tariff Board in 1925; and the Board found that an Indian paper industry using *Sabai* grass as its raw material could not establish a claim for substantial production. The Board at the same time came to the conclusion that bamboo pulp would be as suitable a raw material for the manufacture of paper, but the technique of utilising bamboo in the production of paper had not been sufficiently developed. The Board, therefore, recommended that, while printing and writing papers of a certain wide range should be subject to a specific duty of one anna per lb. the Government should also provide financial assistance to the paper mills to carry on the exploratory work necessary for the manufacture of good quality bamboos and its utilisation in paper manufacture. The Tariff Board saw in the latter not only the means of providing a suitable raw material of indigenous origin for the Indian paper industry, but also the possibility of an export trade in wood pulp. These possibilities they valued highly, as on the basis of the statistics then available to them, they had reason to believe that the resources, from which wood pulp was derived in Scandinavia and North America would before long be depleted, and that there would be a shortage of wood pulp. In other words, the Tariff Board wanted India to step into the breach caused by the depletion of coniferous trees in Europe and America. They also emphasised their view that the financial assistance and the protective duty on imports were inseparable and that the succes of their scheme of production would be gravely imperilled, if their recommendations were treated separately and not taken as a whole.

In determining the rate of protective duty the 1925 Board observed significantly: "It is not enough that the paper (to be excluded) is not made in India or even that it cannot be made in India. The vital points are that it does not compete with Indian paper at present, that, if excluded from the protective tariff and so made relatively cheap, it is not likely to compete and that it should be possible to define it in such a manner that it can be readily identified for Customs purposes." These recommendations of the Tariff Board were embodied in the Bamboo Paper Industry Protective Act which was passed in September 1925. As a result of this Act, a specific duty of one anna per lb. was levied on printing and writing paper. The Government of India, however, rejected the Board's recommendations for the grant of financial assistance to the mills conducting experiments with bamboo.

It is, therefore, not to be expected that in the six years following the scheme of protection adopted in 1925 would be a convincing success. In the first place, imports of paper, even of the protected varieties, increased greatly. Secondly, wood pulp was imported on a large scale and the expectations in regard to the progress of the manufacture of pulp from bamboo, did not materialise. On the occasion of the 1931 Tariff Board enquiry, it was generally held that protection to paper was a failure and that the attempt should be abandoned. The Tariff Board, however, showed convincingly that the scheme was, on the whole, a success. For, in the first place, the manufacture of paper in India increased between 1924-25 and 1930-31, from 27,000 tons to 39,000 tons. Owing to the fall in the imports of paper in 1931, which was the first complete financial year of the depression, the share of the Indian mills in the total consumption of paper of the protected varieties, increased to as much as 71.09 per cent. The increase in the imports of wood pulp might appear to be a weak spot; but it should be remembered that the financial assistance recommended by the Board was not afforded. It is also worth noting that,

but for the increase in the imports of wood pulp, expansion of indigenous production could not have been brought about; and in so far as the imported wood pulp helped such expansion and increased payments in wages and the like, they must be held to have been to the advantage of the nation as a whole. The 1931 Board, therefore, had no compunction in recommending the continuance of protection to the paper industry; for it held that the withdrawal of the protective duty would inevitably lead to the disappearance of bamboo as a paper making material, and that in view of the approved possibilities of bamboo, and the anticipations regarding shortage of wood pulp, the disappearance of bamboo would be a national loss. In order to further the development of bamboo, the Board insisted that a direct incentive for the manufacture of bomboo pulp should be offered and that its most suitable form would be a duty on imported pulp. As the Board recommended only the continuance of the imported duty on paper at the previous level, no changes were effected beyond the raising of the percentage of mechanical wood pulp qualified for exemption from protective duty from 65 per cent. and over to 70 per cent. and over, and the imposition of a protective duty of Rs. 45 per ton on imported pulp. When the revenue surcharge of 25 per cent. was levied in 1932, the protective duty on printing paper came to one anna three pies per lb. and that on writing paper to one anna and three pies per lb. or 18¾ per cent. *ad valorem*, whichever is higher. Likewise, the protective duty on wood pulp was increased to Rs. 56-4 per ton.

Then the main problem of the Indian paper industry turned to be one of the classification of papers for Tariff purposes. It may be easily appreciated that the classification is at once an important and difficult matter; for the various classes of paper have clearly a competitive significance to one another; and in any properly-devised scheme of protection, it is important that papers, which do not compete with the products of indigenous industries should not be handicapped by a heavy duty, as that the papers which could well compete with the Indian products should be left exempt from the protective duty. The 1925 Act referred only to printing and writing paper, and gave only an inadequate description of the various kinds which would be subject to, and which would be exempt from, the duty. The 1931 Board was content to observe that the definition of papers which may be classified as printing and writing according to trade usage, should be examined by a conference with representatives of all the interests concerned.

The experiences of the years following showed how immensely important it was that the classification of paper should be definite. For there was almost endless wrangle between the Customs authorities and the importers as to the classes of paper which were subject to duty. Accordingly, the Indian Tariff Board was required in 1935 to examine this question. The results are set down in the tabular statement at the beginning of this section. The revision of the tariff was made in 1936, in accordance with the Board's views.

For an idea of the magnitude and distribution of the paper mills in India, it should suffice for the purpose of this review to give below the account contained in the Tariff Board report: "At the time of the Board's previous enquiry in 1924-25 there were 9 paper mills in India, three having four machines each, one having two and the rest one each. Two near Saharanpur in the Punjab and one, which had been partially constructed, at Rajamundry in Madras. So far as we have been able to ascertain, the position to-day is that three mills (the Titaghur Paper Mills Company's mills at Titaghur and Kankinara and the Bengal Paper Mill Company's mill at Raniganj) still have four machines each, the Upper India Couper Paper Mills at Lucknow still have two machines and the India Paper Pulp Company's mill at Naihati and the Deccan Paper Mills Company's mills at Poona, which then had only one machine each, now have two; of the three mills—two in Bombay and one at Punalur in Travancore—the Director of Industries, Bombay, has informed us that one of the Bombay mills is at present closed; the other Bombay mill was in 1924 acquired by the Deccan Paper Mills Company who still work it in addition to their mill at Poona; and of the mill at Punalur we have obtained practically no information regarding its capacity or output. Of the two new mills, that at Rajahmundry which was partially constructed in 1924 did not actually start work till April 1930 and it even now working only spasmodically and on a very small scale.

The Punjab Paper Mills near Saharanpur started work in 1929 and worked altogether for about nine months, when the gether for about nine months.

1937-38

Apart from the enquiry conducted by the Tariff Board followed by the publication of an interim report there was no outstanding event in the paper industry. Only one of the new mills (or rather a reconstructed one) entered into production, and total output for the Indian paper industry shows only a small increase. There was a significant increase in imports but the abolition of the surcharges in June excited little criticism. The domestic production showed no great variation from month to month, and though importing interests put forward a case for the reduction of the tariff the majority of witnesses appearing before the Tariff Board pleaded for the continuance of protection, and as it appears that foreign competition may become strenuous with the general lowering of prices abroad, there is reason to believe that the Indian industry will be granted a further term of protection. There is little to add regarding the progress of the industry in the past year. Production was maintained at a satisfactory rate although the paper mills did not altogether escape labour trouble. The total output advanced from over 48,000 tons in 1936-37 to over 51,264 tons in the year 1937-38. Prices in the Indian market were distinctly to the advantages of Indian paper makers, and the misgivings occasioned by the entry of new competitors appeared to subside. One of the older mills acquired by a company floated in 1936 entered into the production stage, but the three new mills projected were still under construction. Local Governments endeavoured to stimulate the use of handmade paper and a project for the establishment of a new paper mill in Hyderabad took shape, while then appeared reports to the effect that Karnatak forests were to be used for paper manufacture appeared early in 1938. The industry has not yet got over the threat of over-production although since the revenue surcharge has been abolished, the prospects of the more recently started mills cannot be said to have improved.

In contrast to the previous year there was a considerable rise in imports of paper, and the general rise in India's imports of manufactured goods affected paper and paste-board also. Total imports inclusive of non-protected varieties during the fiscal year 1937-38 amounted to 3.6 million cwt. against 3.2 million cwt. in 1936-37. There was a fair rise in imports belonging to both the protected and non-protected groups. The total imports of paste-board and card-board also advanced, but there was a slight fall in the imports of paper-making materials. The total value of imports amounted to Rs. 414.7 lakhs compared with Rs. 281.6 lakhs in the previous year. Imports of writing paper from Germany decreased considerably, while Japan improved her position in the import trade. The U. K. remained the principal supplier of writing paper, but printings were as usual derived principally from Norway and Germany. There was a sharp rise in imports of newsprint, the duty on which was reduced in response to the request of the Indian press. Norway and Sweden continued to hold their position as the principal suppliers. Sweden's sendings of packing and wrapping paper went up but imports of old newspapers fell off slightly. As imports of both printing and writing paper in both the protected and non-protected groups went up, the success with which the home industry has retained its position in the market is decidedly encouraging. The financial experience of the leading producers remained satisfactory, and though prices are likely to show changes in the near future, the leading mills are certainly in a position to look forward to the future with confidence.

THE INDIAN SALT INDUSTRY.

THE PROBLEM OF PROTECTION

While the rest of India produces salt to meet the local demand, the Provinces of Bengal, Bihar, Orissa and Assam are unable, owing to climatic reasons, to be self-sufficient, having to rely on foreign salt. Coastal imports from other parts of India not being available, these provinces had for half a century to eat mostly Liverpool and Hamburg salt and partly salt from Aden, Djibouti, Spain and Massawah. Imports of salt into India are roughly 5,00,000 tons a year. Supplies from Aden rose within the last 30 years from 40,000 tons a year to about 1,30,000 tons before 1931, when protection was introduced and to 2,60,000 a year thereafter. The danger implicit in this dependence on foreign sources for a prime necessity of life was brought home during the War, when the stoppage of imports pushed up prices to Rs. 274 per hundred maunds and Bengal had to endure a salt famine, as the Calcutta market was almost entirely controlled by foreign interests. The question then arose of making India self-sufficient in the matter of salt and, things moving slowly in the post-war administrative machinery, it was not till 1927 that Mr. D. N. Strathie, I.C.S., of the Salt Revenue Department of Madras was deputed by the Government of India to investigate. His conclusion was that India could not manufacture its own salt, which was appreciably negatived by the arrival in the Calcutta market in that year of the first consignment of crushed salt from the newly constructed salt works at Okha and Karachi. The Tariff Board then took up the enquiry, on a cut motion in 1929 in the Assembly.

The Tariff Board reported in June, 1930, that conditions since Mr. Strathie's investigations had materially changed and, given adequate protection, the Indian industry could be developed to meet India's requirements. The Board's recommendations were :—

(*a*) Stabilization of prices at Calcutta over a long period.

This recommendation was intended to serve a double purpose, namely that, on the one hand, Indian producers, being assured a steady price at a level which would give them a fair margin of profit over the cost of production, would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and, on the other hand, the consumers would be assured of salt at a fair price and be protected against the danger of formation of rings and profiteering.

The Tariff Board suggested introduction of two standards of quality, the first to correspond to Liverpool or Hamburg, the second to comprise all kinds of solar salt : for the second grade a standard price of Rs. 66 per 100 maunds ex-ship was suggested, and, since Liverpool salt normally stands about Rs. 8 per 100 maunds higher than solar salt, the standard price for first grade salt was recommended to be fixed at Rs. 74.

(*b*) that Government should assume control of imports and the Tariff Board suggested the establishment of a *Marketing Board* which would purchase indigenous produce at the above standard rates provided they satisfied certain standards of quality.

(*c*) that *inland sources* such as Khewra, Sambhar, etc. should be developed so as to produce salt of the quality required for the Calcutta Market, and that to this end a fuller investigation of the possibilities of the Northern India sources should be undertaken.

The Reports of the Tariff Board and the Salt Survey Committee were examined

by the Salt Industry Committee of the Legislative Assembly in March 1931, and they recommended the following scheme:—

(*a*) that an additional duty of Rs. 0-4-6 per maund be imposed on all salt, Indian or foreign, imported by sea into British India:

(*b*) that the Executive should have power to increase this duty from time to time by amounts up to a total of one anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt plus duty as nearly as possible to the level of fair selling price (Rs. 66) as adopted by the Tariff Board. (It may be noted that at the time this recommendation was made by the Salt Industry Committee, the price of Red Sea salt, which was about Rs. 53 per 100 maunds ex-ship Calcutta when the Tariff Board wrote, had come down to about Rs. 36 per 100 maunds) :

(*c*) that a rebate equal to the additional duty should be granted on imported Indian salt on the producers undertaking to deliver a stipulated quantity of salt to the Government any time at the fair selling price fixed by the Tariff Board.

As regards disposal of proceeds from the above duty, they suggested that same should not go to benefit the general revenues of the Central Government, but that they should be ear-marked primarily for the establishment of a supply of salt at a stabilized and fair level to Indian consumers, and that, subject to this, the proceeds should be ear-marked for the following objects :—

(*a*) the development of certain Northern India Sources in the manner recommended by the Salt Survey Committee e.g., (increase of production at Khewra, geological survey at Panchbhadra, etc.)

(*b*) investigation of the possibility of development of other sources of supply in India, e.g., in Bengal, Bihar and Orissa, and generally on the East Coast.

(*c*) any further measure that might be found necessary in the light of experience to secure the stabilization of prices, e.g., establishment of a Marketing Board and provision of working capital and reserves for such a Board.

(*d*) subject to the above, the balance to be distributed between those Provinces that consume imported salt and would therefore be bearing the burden imposed by the above duty.

The Legislative Assembly accepted the recommendations of the Salt Industry Committee and the Salt (Additional Import Duty) Act, XIV of 1931, was duly passed. An unfortunate feature of the above Act, however, was that its operation was limited to a period of one year only, but even this very restricted measure had a marked effect in giving an impetus to the indigenous industry, and when the position was examined again by the Salt Industry Committee in February 1932, they observed that it had been remarkably successful in receiving the particular object of stabilizing the price of white crushed salt at a level which would encourage the substitution of Indian for foreign salt and at the same time would avoid laying on the consumer a burden larger than was necessary to secure that object and the Committee accordingly came to the conclusion that the additional import duty on foreign salt should be continued. While they recognised that any scheme designed to encourage a particular form of development in a manufacturing industry could hardly be effective unless its continuance was assured for an adequate period, they nevertheless recommended the extension of the above salt protection measure for another period of 12 months only, as they considered that it was necessary to examine further the position as regards Aden, the imports from which source during the year of protection had gone up by leaps and bounds out of all proportion to the increase in output from sources on the Continent of India proper, and the Committee were of the opinion that Government should consider the introduction of some plan which would preserve the essential object of the Tariff Board's proposals and would prevent Aden from capturing the whole market to the exclusion of other Indian sources. It appeared to them that the essential purpose might be achieved by devising some plan by alloting quotas of the Indian requirements of fine crushed salt to the various sources of supply either as an alternative to, or in combination with, an import duty. The Committee considered that, before adopting any plan on these lines, a conference of manufacturers should be convened to enable them to place their views before Government, and to enable this being done, they recom-

mended that the extension of the Act be limited to a period of 12 months only for the time being : but in doing so they took care to emphasize that they did not contemplate any reconsideration of the general policy at the end of that period. Their recommendations summed up were:—

(*a*) that the existing Act of 1931 be extended up to 31st March 1933.

(*b*) that during the year of extension the question of allocating quotas to Indian sources of supply be examined.

(*c*) that during the period the subject of fair selling price of Indian salt be re-examined.

The Assembly accepted the Committee's recommendations and the life of the 1931 Act was accordingly extended up to 31st March 1930, and thereafter year by year.

The meeting of the salt manufacturing interests which was convened at Simla in May 1932, in pursuance of the Salt Industry Committee's above recommendation, however, failed to bring out unanimity between Aden and Indian interests. The Indian interests represented at this conference, however, made out a case showing that, given continuance of protection over an adequate period, they could between themselves more than meet the entire requirements of Calcutta even without the help of Aden, and that, to that end, they did not anticipate any difficulty in the matter of distributing quotas as amongst themselves.

The possibilities of establishing manufacturing centres in the provinces of Bengal, Bihar, Orissa and Assam were investigated during 1932 by Mr. Pitt of the Northern India Salt Department and as can be made out from his report, he was not able to discover any such suitable centres.

Since 1930-31, India and Aden salt received the first instalment of protection, which has since been yearly renewed on a twelve-month duration, foreign salt imports have been on the decline. They went up in 1932-33 as a result of dumping by Italian salt works from East Africa, which brought down prices to Rs. 40. Following this dumping, aggravated by the reduction of the import duty to Rs. 0-2-6, cut-throat competition between Indian manufacturers disintegrated for the time being the indigenous industry. Over-production was apprehended and the initial attempt in 1932 was made to form a Marketing Board for eliminating internal competition and stabilising prices. Nothing came of it ; and for the two subsequent years Indian and Aden manufacturers ran a close race of rate-cutting which presaged trouble for both. Experience induced a more reasonable attitude ; and a Salt Marketing Board was formed, composed of salt manufacturers supplying the Bengal market. Its main purpose was to eliminate foreign imports and to organise Indian imports so that normal seasonal demand might be satisfied at prices approximating to the economic level fixed by Government. An elaborate machinery in the form of a Control Committee functions in Calcutta to collect statistics, to study fluctuating conditions of demand and to make a reliable forecast of the future trend of prices with a view to co-ordinate supply and demand.

Bengal is the key Province in regard to salt consumption and an undertaking was given by the Central Government in 1931 that a portion of the salt import duty would be allocated to Bengal to be expended on schemes for the development of Bengal industry. The Government of Bengal, after holding up this allocation, agreed, in response to interpellations in the Bengal Council, to make up lost ground. Several experimental measures are in progress to mitigate the climatic influences of Bengal on the manufacture of salt, one of which is the pan-drying system in vogue in Burma. Actually, Bengal pays for protection, both ways, as the average annual cost to Bengal consumers on the additional tax is as follows :—

	Rs.
A. Extra tax on foreign salt paid by buyers direct to the Collector of Customs...	8,00,000
B. Extra price paid to Indian and Aden salt under protection	21,00,000
Total Rs.	29,00,000

Central revenues received Rs. 1,00,000 and Indian and Aden interests received Rs. 22,00,000. Bengal thinks that Government has not made the best use of the Rs. 7,00,000, received from the salt duty and private enterprise for the modern manufacture of salt in the Province is multiplying. Against this debit Bengal revenues benefit only to the extent of Rs. 7,00,000.

In the current year's budget, the receipts of the Bengal Government from salt are placed considerably lower, but the efforts to stimulate domestic production within the province would appear to be bearing fruit.

Apart from the campaign launched in February by Indian salt manufacturers for more complete tariff protection against foreign producers, including the Aden factories, there is no important feature to record. But the legislature manifested little interest in the question and Bengal alone took the worth to discuss the issues over again. The Indian salt industry succeeded in getting the additional duty renewed this year but the Finance Act of 1938 which reimposed the duty did not differentiate between Indian and Aden producers as desired by the advocates of protection. An important point pressed by the small manufacturers of Bengal was satisfied by the assurance that their developments would not be prejudiced in any manner and they could hope to have a fair share in the provincial market.

Between February and May 1938, there was a sharp fall in salt prices and large imports were made in anticipation of a change in the tariff. The month of May was notable for the award made by the private tribunal to which the industry referred its case and the establishment of pool control on the former lines was accepted as a condition precedent. Aden producers whose main case was that separation from India should not be interpreted to these disadvantages apparently gained their point when the duty was renewed and obtained a fresh victory in the final arrangements recommended by the Board. Special provision was, however, made to give the small coastal manufacturers in Bengal and Orissa a chance to build up their enterprises and a quota of 20,000 tons was, therefore, reserved for the small manufacturers of Bengal. This award was followed by a prompt recovery in prices, and nothing was heard of the Indian industry's demand for a full period of tariff protection instead of being subject to annual review since the salt import duty forms part of the Finance Bill presented almost at the end of the Budget session.

Imports of salt in 1937-38 showed a small fall compared with 1936-37 at 346,876 tons, of which nearly the entire quantity was taken by Bengal. The total imports were valued at Rs. 55.68 lakhs as against Rs. 60.48 lakhs in the previous year. Aden and dependencies remained the principal supplier and Germany's share in the import trade was reduced c'onsiderably from Rs. 13.2 lakhs to Rs. 6.58 lakhs. Other countries including Britain shipped less and India's own exports were negligible.

INDUSTRIAL SECTION:

CEMENT MANUFACTURE IN INDIA

Portland cement was first manufactured in this country in 1904 at a small Factory (long since defunct) within the precincts of the city of Madras, but it was not until 1912 that the foundation of the present industry was laid. In this year the Indian Cement Co., Ltd., was registered and was followed, in the two succeeding years, by the Katni and Bundi Companies. At their inception, all these Factories were small but they endeavoured to meet India's cement requirements during the War period to the best of their ability and within the means at their disposal. The War being over, there was a spate. 1920 to 1923 brought the rush to increase capacities and new and large factories sprang up almost as fast as deliveries of machinery and plant could be obtained.

1924 saw the infant Industry in parlous straits. Most of the new Factories had been erected within the geographical marketing areas of the existing works and internal competition set up a scramble for business at any price for delivery over any distance, with the result that shareholders in the industry suffered appalling losses. Various estimates of these place the figure at anything between Rs. 2 to 2½ crores. This state of affairs could not, of course, go on and in 1925 following the result of an enquiry into the Indian cement industry by the Tariff Board, the necessity for co-operation amongst the manufacturing companies was clearly emphasised and those interested in the management of such companies accordingly formed a pool known as the Indian Cement Manufacturers Association.

In the smooth waters of the pool the Industry began to revive, selling prices were stabilised and the first step was taken in the development of markets for the excessive output. Along these lines the industry progressed until 1930 by which time the lesson on the value of co-operation has been taken in the formation of the Cement Marketing Company of India Limited. Under this company the selling arrangements of the member companies were centralised, and its charter was to ensure that each member company received a proportionate share—or quota—of the total business according to its rated output capacity.

During the six years the C. M. I. has been in existence, it has been succesful to the extent that it has provided each works with an off-take in accordance with the pre-arranged quota—with amalgamated funds, it has been able to apply the whole force of effective advertising and propaganda programmes to the betterment of sales, instead of having to dissipate the money available in keeping particular brands before the public.

Unfortunately for the company, the possibility of sales is not uniform throughout the country and herein lies the main limitation in its charter. Under the present system there is the position of a factory or factories being situated in the heart of large consuming areas but of not being allowed to supply to full capacity, whilst Cement from other factories situated, in some cases, hundreds of miles away, is being despatched to these areas, even perhaps past the very doors of the conveniently situated factories, to ensure they also get their quota of sales.

It is unnecessary to enlarge on the waste thereby entailed. Those responsible for the management and who are in close touch with the industry must and to realise the vulnerability of the present system, and therefore we had the Merger. The scheme was very carefully thought out and was intended to rectify present defects, to bring about additional advantages and to consolidate the whole in a permanent form—that is to say to make the position of the Industry, and incidentally that of its Shareholders, unassailable. It took several years of careful preparation and when the scheme came into successful operation it constituted

a national achievement unparalleled in the history of Indian industries.

According to the merger proposals a company by name the Associated Cement Company of India Limited was floated with a capital of eight crores of rupees. The basic proposal was to convert the shares of existing companies into shares in this company. Ten companies agreed to join this merger. Shareholders in existing companies will be offered cash or shares of a higher denomination in the new concern.

According to this scheme the evils of the quota system above mentioned were eliminated. The quota system is dispensed with and there are to be territorial markets by which factories whose producing capacity is unable to meet local demand will be equipped with additional machinery. Thus freight and wastage is avoided. The Cement Marketing Company became the selling branch and the Concrete Association of India, the propaganda department of the new company.

During the year 1937-38 there was little to indicate any change in the fortunes of the industry. The A. C. C.'s merger proposals were carried out completely and the individual companies were wound up. There was a further increase in home consumption and the larger output was disposed of to advantage. To judge from the first year's working of the A. C. C. the industry's dominant position in the home market seemed unquestionable, but the flotation of the new companies carried with it a threat of over-production. The Dalmia Cement Company's intention to start a chain of factories—two of these have been opened during the year—made others besides shareholders of the A. C. C. a little concerned over the future. The emergence of competition implied that the original companies merged in the A. C. C. would not be allowed to reap the fruits of nationalisation and a rate war has already been started. What exactly is the output of the new factories completed and in progress and what will be its effect on the industry is a question to be settled by the future, but there is no doubt that a difficult period lies ahead. The equilibrium between consumption and supply is likely to be disturbed for a long time and the opening of additional factories in the coming year may aggravate competition. Besides the Dalmia group there appeared another company to equip a cement factory to serve East Bengal and Assam and this too will not fail to have a prejudicial effect on the supply position. Remembering that in the last two years the older factories have not worked to their full capacity and they always retained a margin of production capacity to meet the anticipated growth of demand, the entry of three or more new factories is bound to result in a surplus of production. It is true that imports of British and other cement continue to fall and that India is now practically self-sufficing in regard to her requirements of cement. It is noteworthy that after the entry of the new factories the data relating to production are not available, but up to November the monthly output was generally in the neighbourhood of 90,000 tons. It may be assumed that the production for the full year would have exceeded a million and odd tons against 980,360 tons in 1936-37.

Imports during the year amounted to 31,923 tons valued at Rs. 12.93 lakhs showing a fall in both volume and value. Reference has been made to the rate war, heralded by a preliminary flourish of publicity to indicate that the new factories could provide cement as good as the qualities previously available, and the first few months of 1938-39 saw a pretty sharp fall in cement prices. This suggests that cement has come to share the troubles of the jute and sugar industries where also too rapid development has left an excess of productive capacity. Not that the trend of consumption has been reversed. That still remains essentially favourable and the propaganda work of the A. C. C. has been attended with uniformly favourable results as in the previous years. Provincial Ministries have extensive road and bridge building programmes and the vigorous activity of the building industry in Indian towns has certainly increased the consumption of Indian-made cement. Lower prices may stimulate consumption further, but the adverse character of the developments during the last year cannot be ignored. Even if we suppose that consumption would be double that of 1930-31 when 634,180 tons were used, there is a probability that something like half a million tons would be left as a surplus when all the new factories enter into the production stage. Remembering that Burma has now a cement factory of her own, there is little chance of India gaining a foothold in export markets unless it be in Afghanistan.

There is reason to believe that the orderly development of the past years will be interrupted and the rate war provoked by competition may leave scars that will take a long time to heal. The fears expressed

last year have been realised, and in this case, at any rate, there is reason to hold that had considerations of planning and national economy been kept in mind, there would be no such competition and dislocation of the price structure. Anything that interferes with normal healthy progress should be regarded as ultimately damaging, and the Indian cement industry which is an important contributor to the earnings of such industries as coal and jute and pays something like Rs. 2 crores on account of railway freight can certainly claim that if inter-provincial co-operation and co-ordination of industrial development is to be undertaken, its case should be heard first and that competition should be regulated. There is little doubt that from being an efficient and prosperous industry the cement industry has suffered a serious change amounting to a setback in the last months of 1937-38. But there are some reassuring features. It was indicated at the first meeting of the A. C. C. that the old company's development plans would not be affected and that the company would do its best to uphold the traditions of the industry and try to preserve its stability. Much can, and will probably be done, to bring back poise and prosperity, for it is not one company or industry that is now in danger of losing its balance.

INDUSTRIAL SECTION

THE PAINT INDUSTRY

Apart from the small number of larger factories, which operate on a scale similar to that of a medium-sized European factory, there are dotted throughout India a number of small "backyard" factories, which grind common and ordinary qualities of paint from materials which they can purchase. The past year has seen a considerable increase in these small factories, especially in North India, which it seems to be the ambition of the Bazaar retoler to own his own factory. The effect of such small factories is to depress further both the prices and the quality of the commoner paints already manufactured in India, without displacing imported paint to any appreciable extent. There are already more than sufficient factories to struggle for the amount of this business available ; and it is doubtful whether the additional factories bring additional employment.

Another feature of the current year has been the issue of a new series of scpecifications by the Army Department, which makes the third series in current use in India, the others being the British Standard specifications and those of the Indian Stores Department. The only satisfactory feature of the confusion thus caused is that the three series of specifications mainly rely on one series of shades. Any satisfaction so caused is, however, decreased by the knowledge that the issue of the shade books in different years do not contain indentical shades.

Japanese competition is again well to the fore ; the specific duties imposed may have stopped the import of the commonest qualities of paint, but the import of the higher priced qualities is almost unchecked and in at least one noteworthy case is increasing. Furthermore, there are now imports of materials, such as dry distemper, which were not previously imported. Unless Government take early and vigorous action, serious damage to the industry and to employment in India may ensue. What is required is an Officer on special duty to collect such statistics as Government may require. In the broad sense of the term, the Indian paint industry does not need or ask for protection; but it does definitley require protection against the importation of a limited range of Japanese paints, varnishes and distempers. And it would welcome the admission duty-free of certain raw materials imported (not from Japan) in such small quantities that the loss of revenue would be negligible.

India is probably slowly becoming more paint conscious. The rate of progress in different parts varies widely. The difference between Bombay and Calcutta is most marked. The Bombay citizen or landlord is willing to spend more money than his confrere in Calcutta. There is more competition between decorating firms; and it is much easier to have good material well applied in Western than in Eastern India. "Interior Decoration" may well be suggested to young Bengalis, men or women, as a new career.

The Advisory Council of the newly formed Industrial Research Bureau puts research on paint as the first item in its programme. There is a possibility of progress, if the Director of the Bureau will realise that research into the manufacture of paint is amply conducted by existing organisations in Europe and America and that his activities could profitably be concentrated on—

(a) The education of builders and engineers to provide surfaces on which good paint can usefullly be applied ;

(b) Teaching the consumer to use paint suitable for the conditions to which it will be exposed ; and

(c) Training painters how to paint. There is no greater hindrance to the progress of the paint industry than the shortage of capable painters and contractors.

INDUSTRIAL SECTION:

THE HANDLOOM INDUSTRY

The handloom industry in India is unique in that its importance in the economic life of the country has not been impaired either by its lack of organisation or its more or less primitive methods. Throughout its long history, it has had no access of strength, such as has fallen to the lot of many modern industries, which have been strengthened by new devices alike of organisation and of technical invention. It is conducted also on the same lines as Indian agriculture, to which it is tied by innumerable bonds. While the latter's survival is due to the fact that agricultural production is to a large extent for the producer's own consumption, in the case of handlom weaving, the industrial character of the operation is not mitigated by any similar circumstance. It should, therefore, be a matter for wonder that the Indian handloom industry stands alone among the world's industries and handicrafts as having withstood all the on-sloughts which production under capitalist organisation is capable of making. The reasons for this survival of the handloom industry are to be sought in the fact that the criteria of costs, prices and profits, which are applicable to factory-made production, do not apply in this case. It is true that the immense advantages, which textile mills possess over the handlooms, have enabled the former to capture the greater part of the market ; but, the handloom weavers are as a species far from extinct ; and a race which has defied the ravages of nearly two millenia is not likely to be stamped out in the near future. On the other hand, it is quite possible that within the dry, age-old bark of this ancient tree there lie the potentialities of a young and vigorous sapling. There are many who envisage the time when, through the widespread diffusion of electric power, the handloom weavers would be enabled to ply electric power looms in their cottages and gain the upper hand over for factories in the internal and foreign markets alike. Such an eventuality might, perhaps, come sooner than most of us expect and the Indian handloom industry would then be more unique than it is now.

For the present, it is well to note that, though during the last two centuries the handlooms have been worsted in their competition with the mills, foreign and Indian, they still occupy a large place in the industrial life of the country and any comprehensive scheme of national reconstruction will have to give its full attention to the questions connected with this industry. An important aspect of cotton in India is that "its production is spread over nearly all parts of India and that measures for improving its position and prospects will shower their benefits on all the provinces, unlike most economic measures which may be represented to be partial to one province or two at the expense of the others. It is also noteworthy that the cotton tetile industry in India is not merely on large-scale and capitalistic lines, but it also embraces the handloom industry and that cotton may, therefore, be said to run through the gamut of India's economic life." Of the Indian handloom industry, it may be said that measudes calculated to improve its position are bound to strengthen India agriculture, in as much as the handloom industry is carried on in India predominantly as a subsidiary activity of the agriculturists. This probably accounts largely for the partiality which Mahatma Gandhi has for **Khaddi,** as also for the ready support which Gandhiji has evoked among the masses for his political programme. Thus, the distinctive character of the handloom industry in India is derived from its intimate association with agricultural pursuits ; and this fact explains at once its strength and its weakness. As the majority of weavers are agriculturists, it is idle to expect the handloom industry to show that spirit of enterprise and intelligent competition for which one looks in vain in India's agriculture. But, at the same time, the peculiar tenacity, with which the handlooms have survived the powerful competition of Indian and foreign mills must be attributed to the same circumstance of its being a subsidiary activity. The costs of

manufacture in the handloom industry are kept so near the cost of the raw material that the scope for competition is extremely limited. Being a cottage industry, free from the complications of overhead costs and factory regulations, the handloom industry is well able to cater to individual tastes and to adjust supply costantly to the demand. It has also the facility of turning from one line of textile goods to another according to the state of the markets. And, above all, the handloom industry has on its side the indestructible superiority of the human hand over the machine.

We may now turn to assess the economic importance of the handloom industry. It must be pointed out at the outset, that not all the handlooms are devoted to the weaving of cotton fabrics. In the figures provided in the census, handlooms are lumped up together, irrespective of the purpose to which they are devoted. Though cotton goods form the bulk of the handloom production in India, there are other products of the handloom industry which in the areas they serve are of great importance. I In certain rural areas, large communities live by the production of shawls, woollen goods of various kinds, carpets and mats made of different kinds of water reeds. Statistics are not available even of the looms devoted to weaving of cotton goods, not to speak of the minor activities refered to above. It is, indeed, a great reflection on economic intelligence in India that of so important a branch of national economic life as handloom weaving, we have no reliable statistics. It is true that statistics in regard to the activities of a cottage industry are difficult to procure; but this is a case in which difficulties ought to be over come instead of being utilised as an excuse for inaction. In fact, we have to rely on guess work in regard to everything pertaining to the handloom industry in India ; and in an article like this one can only endeavour to indicate approximately the size of the industry and the probable extent of its output and to discuss broadly the problems affecting its welfare.

According to the reports obtained by the 1932 Cotton Textile Tariff Board presided over by Dr. Matthai from all the provinces, the number of handlooms in India is as under:—

	Number of handlooms
Assam	425,000
Bihar and Orissa ...	125,000
Bengal	200,000
Bombay	100,000
Central Provinces ...	100,000
Delhi	450
Madras	225,000
Northwest Frontier Province	500
Punjab	75,000
Hyderabad State ...	140,000
Total	2100,693

It will be seen that the figures for such important states as Kashmir, Mysore the Central India States or the states of the Presidency of Bombay are not given in the above table and that the Board were able to obtain figures only for Hyderabad. Taking into consideration the figures of the 1921 census for Agra, Burma and Rajputana the resultant total will exceed 2¼ million. The provision for the States not included in the above would probably raise the figure to 2½ million. On the basis that each loom represents a family of four members, the handloom industry in India may be deemed to provide the sustenance in part for as many as 10 million people. As an industry it may, therefore be said to rank second only to agriculture. It is doubtful if the figures furnished by the Provincial Governments and the census report are altogether acurate. But it is certain that they contain no indication of how many of these looms are devoted to other than cotton fabrics. They contain no clue to the total production of cotton goods in the handlooms. It will be seen that on the basis of a full day's work the production of these looms would be ludicrously big. It is a matter of common knowledge that work on the handlooms are, even as agricultural operations, only seasonal, the agriculturists taking to weaving during the off-seasons. The total production of cotton goods on the handlooms has, therefore only to be deduced from the figures in respect of cotton yarn, and the amount of cotton yarn consumed by the handlooms has again to be arrived at indirectly by deducting the consumption of yarn of Indian mills from the production of yarn by indigenous mills and imports from abroad. There is no means of estimating the amount of yarn used up for other than textile purposes. Mention must also be made of the fact that handspun yarn is also used in handlooms; and only the vaguest guess work is possible of the amount of hand-spun yarn produced in the country every year. The 1932 Tariff Board endeavoured, as well as they could, to arrive at a fair estimate of the amount of yarn consumed by the handlooms and

other total production of cotton goods. They found that after taking into account imports, re-exports, internal production, and exports of Indian yarn and the consumption by Indian mills, as much as 365 million pounds of yearn was available for consumption by handlooms. The Special Tariff Board of 1935 estimated the amount of yarn consumed in each province, and the following table shows the figures for the year ended March 31, 1935:—

Province	Handlooms Total	Handlooms making Cotton goods	Yarn Consumed (Quantities in millions of lbs.) Cotton	Yarn Consumed Others	Cloth produced
Madras ..	318,434	258,538	78·8		315
Bengal ...			48·2		
Bombay ...		110,183	50·2	3·2	235
United Provinces		161,913	49·5	6·4	291
Bihar & Orissa		180,000	31·1		
Punjab ...	256,602	241,602	60·1	4·0	401
Delhi ...	1,554	781	·2		0·7
Northwest Frontier		10,000	1·0		9
Burma ...		500,000	15·6		40
Central Provinces		73,338	15·5		
Assam ...		421,367	4·3		22
Total		1,987,742	354·5		

It has been possible to estimate the provincial distribution of the total amount of yarn available for consumption only with the resumption of the publication of statistics in regard to road and river-borne trade.

The production of cloth on handlooms and the total quality of cloth available for consumption in the country as estimated by the Bombay Millowners Association are as under:—

Years		Quantity of cloth turned out on handlooms approximate	Total quanitity of cloth available for consumption
1929-30	...	1,679	5,744
1930-31	...	1,655	4,888
1931-32	...	1,808	5,360
1932-33	...	2,056	6,325
1933-34	...	1,725	5,256
1934-35	...	1,793	5,970

It will be seen that the Indian handlooms supply nearly a third of the India's market for cotton goods. As has been observed at the beginning of this article, there is every reason to feel that the Indian handlooms have been through their worst period and, if the weavers can adapt themselves to the new conditions and acquire the ability to work electric power looms in their own cottages, they would be yet able to withstand the competition of the mills. Even as it is, there are certain fields in which the handloom weaver is well able to compete both with the indigenous mill and the foreign importers. It stands to reason that in the finer qualities of cloth, which are meant for the richer classes, and which cater to individual tastes, the position of the hand-loom weaver is more or less impregnable. Likewise, in the verey coarse varieties of cloth in which the cost of production for the hand-loom weaver is nearly naturally equal to the cost of the raw material, the Indian mills will not find it easy to dislodge the handloom worker. To the extent that there are individual tastes in this sphere, too, the handloom worker has an additional advantage. But this is not without its corresponding handicap. When the markets go against the andloom weaver, there is no scope left for him to effect reduction in costs while the mills, who might well be the producers of the yarn required, may come into the field with the advantage of a vertical combination. Nevertheless, it is true that it is in cloth of medium counts that the mills have the field all to themselves and the competition of the handloom weaver is at its weawest. During these years, in which the cotton mill industry has been protected by duties on yarn and cloth, it has at every stage been necessary to examine the repercussions of such protection on the position of the handloom weaver **vis-a-vis** the Indian mills; and the 1932 Tariff Board held that in spite of the growing demand for spinning mills for protection, the duties on yarns of low and fine counts should not be laid, as the Indian handloom weaver would be further handicapped in his unequal contest with the mills. The Congress has attempted from time to time to mark off a special sphere for the Indian handloom weaver by bringing the mills round to agree not to produce the coarser varieties of cloth. But these agreements have often been broken; and it would be very desirable if official policy would rescue the handloom weaver from his position of dependence on the good faith of the mills. It would be well if the Congress renews its efforts to keep the mills from competing with the handlooms in spheres which may be regarded as their special preserve.

INDUSTRIAL SECTION:

THE LAC INDUSTRY

Lac is a resinous substance secreted by a kind of insect living on the tender shoots of certain trees and is found in several parts of India. No other country in the world produces lac. Bihar seems to possess the most favourable soil, climate and vegetation since 75 per cent. of the total production is accounted for by this province alone.

Since several centuries lac has been used in India for polishing furniture, colouring and glazing wooden toys and for filling hollow gold and silver ornaments. Western countries took small quantities of lac till 1900 for making polishes and sealing waxes. The gramophone industry started on its meteoric career in the beginning of the present century and the demand for shellac (purified lac) registered a corresponding increase as it is the essential raw material for gramophone records. By 1910 the electrical industry found in shellac an ideal insulating material and the War Offices of the world realised the great utility of shellac for coating the inside of shells and cartridges for keeping the powder dry. A thousand other uses were found in the rapidly developing industries of America and Europe. At the present time 25,000 to 30,000 tons of shellac are exported every year and only 800 to 1,000 tons are used in this country itself. During the first two decades of this century, increasing demand from foreign countries and speculation by middlemen were responsible for raising prices to unhealthy levels accompanied by sudden fluctuations' thus providing an inducement for adulteration. The natural consequences were dissatisfaction among consumers and their search for synthetic substitutes of unvarying quality and prices.

By the Act of 1921, the Government of India levied a cess on all exports of lac and constituted a committee of middlemen and shippers to spend the funds on scientic research to secure the future of the industry and save it from a fate similar to that of the Indian indigo industry. The legislation was defective in so far as there were no scientists on the Committee, and a small advisory board called into existence by the Committee had neither the necessary prestige nor the vigor to initiate a new policy. But one of the important results of the Lac committies work was the Research Institute at Ranchi which was founded in 1925. During the period 1925-31, the research activities were directed towards improvements in the methods of cultivation in order to increase supplies in keeping with the demand and thus help to lower prices and incidentally take away the incentive for the search for a synthetic substitute.

By 1926 the prices of shellac had come down without any increased production but solely due to reduced demand. The need for agricultural and biochemical research had apparently disappeared and the importance of chemical research for improving the quality of shellac and finding new uses for lac and the necessity for a propaganda on behalf of shellac among consumers were keenly felt. An experimental shellac factory was added to the Institute, more staff was recruited and a Lac Marketing Officer was appointed in England.

The Lac Cess Act of 1921 was repealed and by the Act of 1930, a Committee of growers, manufacturers, middlemen and scientists was constituted by statutory authority, and greater Government control was made possible by associating the Committee with the Imperial Council of Agricultural Research and appointing the Vice-Chairman of the Council ex-officio President of the Lac Cess Committee. Under the able leadership of Sir T. V. Acharya policy of development was promised through the appointment of three Indian chemists to work in the laboratories of the chief consuming industries in England and financing of shellac research by American chemists to keep the existing merits and future potentialities of shellac constantly

before the consuming industries and to provide a sort of service station to meet and solve the difficulties and problems of the industries using shellac. Realising that the existing indigenous methods of manufacture could not be easily beaten for efficiency or economy, attention was diverted to finding more uses for lac in India and modifying lac for specific properties to render it more suitable for industrial uses.

The funds accruing from the cess were insufficient for financing the new development and the Indian Lac Cess (Amendment) Act of 1936 was passed to provide for an increase of the cess from annas four per maund to annas seven and the opportunity was utilised for dividing the heterogeneous Lac Cess Committee into two clear groups, vested interests and scientists, the former to govern and advise the latter. A fuller and a better representation of scientific men has been achieved. The Director of the Institute, who was a biochemist was succeeded last year by Dr. H. K. Sen, who was for a long time the Sir Rash Behari Ghose, Professor of Applied Chemistry at the Calcutta University.

From the Annual Report of the Institute for 1936-37, it would appear that important researches of great theoretical and practical value are in progress. Entomological research are largely concerned with proper choice of lac insects which destroy lac. Investigations have been initiated for unrevelling the mysteries of the highly complex shellac molecule. Various modifications of lac with the distinctive new properties are being evolved. To help the shellac manufacturing industry, a process for recovering pure lac from the by-products is being examined on a semi-commercial scale. Promising results have been attained in solving the problem of shellac moulding for extend uses. A scientific study of the manufacture of sealing waxes, varnishes and polishes, adhesive for binding plywood, laminated paper and fabric boards etc., is in progress. It is expected that the present researches would help to extend the use of shellac in foreign countries and also lay the foundation for starting new shellac using industries in India. The activities of the Lac Research Institute lead one to expect a bright future for lac industry.

STOCK EXCHANGES IN INDIA

The Stock Exchange has been described as the nerve-centre of the politics and finances of nations and as the barometer of their prosperity and adversity. The political and financial changes with regard to the Government of a country are immediately focussed and find instantaneous expression in the Stock markets. A mere glance at the tone of this market would indicate the credit of a nation or the position of an industry.

The credit for the introduction of the Stock Exchange business in India goes to the Europeans; and it is only about a century old in India. Share-broking is said to have had its origin in London as early as the beginning of the 18th century at Garraway's and Jonathan's coffee houses, where sprouted a number of sharebrokers, whose bulk spread, in the wake of time, to its present size of a world-wide organisation. But, the stock and share business attained its full shape and importance only after the enactment of the Companies Act in 1860 and 1862, establishing the principle of limited liability companies. Industrial and commercial development is, to a great extent, essential for the growth of this business; and, until recent years, India had been very backward in such development. Side by side with the growth of limited companies and the renovation of various industries in the country, the Stock Exchange business also came into existence in India, and grew from strength to strength, until it has now established itself as a great financial organisation. The City of Bombay was the gateway for the British Stock Exchange enterprise. Speculation in shares sprouted in Bombay as early as 1840 among five or six brokers, who were, at that time, rich local merchants. Gradually, it spread wider and gained admission into the eastern capital, Calcutta. In 1875, about 300 brokers formed themselves into an organised association, which has now developed into one of the greatest and most well-organised Stock markets in the world.

CALCUTTA STOCK EXCHANGE

The Stock and Share business in Calcutta can be traced back to as far as 1885. In those days, there existed no organised association for the conduct of business as there is now. No authentic written records, which would throw light on the details of the actual conduct of business in those remote days, are available. But, what little information can be gathered from some of the oldest speculators of Calcutta, are enumerated in the following paragraphs.

The rendezvous of the few brokers who assembled to do some business in stocks and shares was, it is said, the site in Clive Street, where the Chartered Bank Buildings and Messrs. James Finlay's offices are, at present, situated. The verandah of one Messrs. J. Deb & Co., tobacconists, and the welcome shelter provided by the only big tree, served as the chief counters, where the Marwaries and Chowbeys of the time bought and sold securities and shares. There were about 50 Indian brokers at the time and four or five Europeans. The shares were mainly those of tea and coal companies managed by European managing agents. There were also a few jute shares.

The emergence of an organised association out of these elements was the result of an incident connected with the rude behaviour of a certain Chowbey broker, somewhere about 1904. Up till then, business was conducted on cash basis, without any hitch or untoward incident. An organisation somewhat akin to the present association, but on a small scale, with a managing committee mostly consisting of Europeans, had been started under the initiative of one Mr. Overend of the firm of Place, Siddons. But it was only in 1908 that a properly organised association was started under the name and style of "Calcutta Stock Exchange Association." By June 15, 1908, the Association had rented the premises, No. 2, New China Bazar Road (now called No. 2, Royal Exchange Place).

The finance for the starting of the Association was secured by donations collected by the promoters, amounting to Rs. 3,525, which was spent for the preliminary expenses of furnishing and supplying the rooms with electric lights and fans.

The first President of the Association was Mr. P. L. B. Siddons of Messrs. Place Siddons and Gough, and the Hon. Secretary, Mr. S. C. Berridge, was also of the same firm. The President and Secretary were generally elected from Messrs. Place Siddons for a number of years. Babu Baldeo Das was the Honorary Treasurer, and was continuously elected for the post for the next 12 years, till his death.

At the commencement, there were 157 members ; now the total number of members exceeds 217 firms, with a personnel of more than 470 individual members. The subscription at the beginning was Rs. 8 per mensem per member, but it was gradually reduced to Rs. 6 in 1910, Rs. 5 in 1911, and again to Rs. 4 in 1912. Now the monthly subscription is Rs. 4 per member. The total subscription collected during the first year amounted to Rs. 19,835, whereas in 1935 the total subscriptions totalled Rs. 31,124. The admission fee, which at the beginning, was only Rs. 500 per member, has been steadily increased with the progress of the Association, and is, at present, Rs. 5,000 per member. The total admission fees collected in the first year amounted to only Rs. 1,284, as compared with Rs. 57,900 in 1935, the record being Rs. 87,300 collected in the previous year. Rents realised for rooms and offices let for members in the first year amounted to Rs. 2,703, which now aggregate Rs. 26,000. Expenses for rent and taxes, establishment and sundries amounted to about Rs. 18,000 in the first year, as compared with more than Rs. 61,000 in 1935.

From the above figures, it can be ascertained that, from humble beginnings, the pace of progress of the Calcutta Stock Exchange Association has been rapid. Today, the Stock Exchange Association of Calcutta is one of the most up-to-date, stable and well-managed organisations of like nature in the world.

The finances of the Association encountered many a pitfall in the earlier days. Every year, there were many members who either resigned, or were expelled from membership owing to disputes ; and the membership was reduced to 96 firms or 146 individuals in the third year of the starting of the Association. In March 1910, the Committee, owing to financial difficulties, even arranged to wind up the Association by passing a resolution at an extraordinary meeting. But for the timely help of Mr. Galstaun, the owner of the premises, who reduced the rent from Rs. 1,050 to Rs. 675 per mensem, the Association would have suffered a natural death.

The credit of having founded and steered the Association must, of course, go to the few European members existing at that time. The members in the Working Committee at the initial stages numbered 9, consisting of 6 Europeans and 3 Indians. This state of affairs in the management continued up to the end of 1913, when the number of Committee members was increased to 11, comprising 6 Europeans and 5 Indians. Later, on 9th May 1918, at an Extraordinary General Meeting, the Committee was reformed. The number of members was raised to 12, comprising 4 Europeans, 4 Marwarris and 4 Bengalis, and a new rule was passed that restricted the admission of assistants to members of the Association of 3 years standing only. In 1921, two additional members, elected from 'Hindustani' communities, were added to the Committee, thus increasing the membership to fourteen.

The progress of the Association year by year was, on the whole, very satisfactory, and its popularity increased daily. Every year a number of new members were admitted, and in 1923, the Association's membership increased to 209 firms and 442 individuals. Talks of incorporating the Association as a registered body were in the air even in 1921, and arrangements were completed, at the beginning of August 1923, for the incorporation. At that time, the finances of the Association were in a very sound condition. There was a capital reserve of Rs. 5,88,117, and the liabilities were only Rs. 2,319. The Association had investments amounting to Rs. 5,42,763. Interest and outstandings amounted to Rs. 10,993 and cash to Rs. 36,680.

The Association was registered in August, with an authorised capital of Rs. 3,00,000, divided into 300 shares of Rs. 1,000 each. One share to each of the 210 members on the role was issued in pursuance of the agreement dated 9th July, 1923 and credited as fully paid up, in consideration of the purchase of the assets and undertaking of the Calcutta Stock Exchange Association. The balance of Rs. 3,78,117 was appropriated as Capital Reserve.

From 1922 up to the end of 1927, the stewardship of the Association was in the hands of Mr. C. A. Jones, the President. Under his able guidance, the steady progress of the Association was, indeed, gratifying. Every year, the working has been resulting in a surplus of more than a lakh of rupees,

and at the close of 1926, the reserves accumulated amounted to Rs. 3,03,416. In the following year, premises No. 7, Lyons Range, were taken on lease at Rs. 1,500 a month, and it was decided to construct a suitable building for the Association. A Building Suspense Account was created, and in 1928, the Association occupied its own building. The cost of the building amounted to about Rs. 4,11,000.

The years 1930 and 1931 were outstanding years in the history of the Calcutta Stock Exchange Association. In the former year, the Association declared a bonus of Rs. 1,000 on each share from the large accumulated reserve, and in view of the increasing profits every year. In 1931 was elected, for the first time, an Indian President, and the honour went to Mr. Kedarnath Khandelwal. His able administrative talents at the helm of the Calcutta Stock Exchange Association were very much appreciated by the members; so much so, that he was called to resume the same position every year for the next five years. During his regime, many important and useful changes in the bye-laws were effected. Every year, the Association declared a bonus of Rs. 500; in 1934, the bonus was Rs. 1,000. The share value of the Association soared higher and higher and reached a level above Rs. 20,000. At present, the share value is well above Rs. 17,000. In 1932, for the first time, an Indian Honorary Secretary was appointed, and Mr. S. R. Mittra of Messrs. Mittra Bannerjee & Co., Stock and Share Brokers, proved to be a great asset in that position. The outstanding event in 1933 was the acquisition, at a cost of Rs. 3,65,300, of the land on which the Association had enacted its building in 1928. Prior to this purchase, the Association held the land only on lease.

The total profits earned by the Association, since its inception in 1923 up to the end of 1936, amounted to Rs. 12,60,330, and the total amount of bonuses declared came to Rs. 10,27,700 at Rs. 4,850 per share. During the above period, the Association collected subscriptions amounting to Rs. 3,41,500, entrance fees to Rs. 6,27,950, and fees for investigation, etc., by the Committee, amounting to Rs. 1,08,800. Interest secured on investments aggregated Rs. 3,67,000; the total rent collected from members accounted for Rs. 3,55,000; and the profits from the publication of quotation lists totalled Rs. 68,400. On the expenditure side, the Association spent Rs. 2,86,200 for rent and taxes and Rs. 2,20,400 for establishment; other expenditure totalled Rs. 2,28,000.

The working of the Association at present is quite smooth and organised. The rooms of the Association are open to business from 10-30 a.m. to 5-30 p.m. on all working days. Every partner, or authorised assistant of the members, has to pay an entrance fee of Rs. 500 for transacting business in the Exchange, besides a subscription of Rs. 4 per month. Every member must hold one share in the Association and has to pay an admission fee of Rs. 5,000.

Transactions are carried on cash delivery basis, and delivery is to be effected on or after the second working day after the date of the contract, and at or before 3 p.m. on that day. Government securities are transacted on Ready delivery or delivery on, Receipt-of-Scrip basis. In the former case, delivery is to be effectd on or after the second working day after the date of the contract, but in the latter case, the seller can deliver within 14 days after the date of transaction. The seller is entitled to interest for a maximum of 14 days for Government securities and of 21 days for other interest-bearing securities, including the date of contract. Interest-bearing securities are to be delivered up to 1-45 p.m. and the buyer must pay the cheque by 2-15 p.m. If, however, delivery is given after 1-45 p.m. and before 3 p.m., the buyer must accept, but he can pay after banking hours. The buyer might refuse delivery of Government securities if interest has accumulated for 8 calendar months or over, or if there are less than two unused gates or cages.

Any failure, on the part of the seller, to deliver must be reported by the buyer to the Committee, who after hearing the case, may give the buyer the option of either cancelling the contract, or buying the shares in the open market at the risk of the seller. But this rule is not strictly enforced by the members, as it is only optional to the buyer, and the buyer rarely exercises his right save in the case of abnormal delay in deliveries.

The Committee of the Association now consists, as stated above, of 14 members; 4 members each from the European, Marwari and Bengali communities, and 2 members from the Hindustani community. Under this Committee, there are four Complaints Sub-committees consisting of 3 members each, who hear all disputes between members and pass impartial decisions. Each Sub-Committee sits practically every day. The members have got the option of appealing to the original Committee against any decision of the Sub-Committee within 7 days of each decision. The decision of the Committee is final and binding on all members,

and in the event of failure of any member to comply with the decision of the Committee, he is liable to be dealt with under Article 21 (b) of the Association, which deals with expulsion of members. All complaints and appeals must be accompanied by a fee of Rs. 16, which the party found to be at fault will lose. The Committee sits every Thursday, and seven members form a quorum at the meeting.

The following is the schedule of brokerage charges determined by the Committee:—

On 3% and 3½% Government paper	1/16%
On other Government securities	1/8%

The minimum charge for brokerage on Government securities is Re. 1.

On Municipal and Port Trust debentures	¼%
On Joint Stock debentures ...	½%

For other shares in Joint Stock companies:—

Shares up to a consideration money of Rs. 50	As. 4 per share
Above Rs. 50 consideration money, but below Rs. 100	As. 8 per share
Thereafter, for every Rs. 100 or part thereof	As. 8 per share additional.

The wide range of stocks and shares covered by the Calcuta market offers large scope of investment for investors of all shades, and this gives a unique position to the Calcutta market. Transactions are done in all kinds of Government securities. A large number of Port Trust and Municipal debentures are on the list of the Association. There are about 70 debentures of Joint Stock companies, varying from 4¼% to 8% interest.

The following is the list of Government securities in the market:—

Securities	Present Quotations. Rs.
2¾% New Loan (1948-52) ...	100-8
3% Government Paper (1896-97)	88-89
3½% ,,	97-12
3% Loan (1941) ...	103-5
3% ,, New (1951-54)	102-12
3½% Loan (1947-50)	106-6
4% ,, (1960-70)	112-14
4% ,, (1943)	108-12
4½% , (1955-60)	119-10
5% ,, (1939-44)	103-5
5% ,, (1940-43)	106-12
5% ,, (1945-55)	117-15
5% U. P. Bonds (1944)	112-14
5½% Loan (1938-40)	100-5
4% Punjab Loan New (1948)	108-6
3% U.P. Loan 1961-66	98-8
3% U.P. Loan 1952	99-8
3% Punjab Loan 1952	99-8
3% C.P. Loan 1952	99-4

Another section, which of equal interest to investors as well as speculators, is that of Jute Mill shares. Jute, being one of the most profitable indigenous industries of India, and Indian mills being the largest suppliers of jute manufactures to the world, jute companies have been in a position to declare high dividends. This has been the cause of the great demand for jute shares during the last so many years. A dividend of 30 to 40 per cent. per annum is usual. in the case of good companies. Debenture shares, of interest varying from 6 per cent. to 9 per cent., are available in the case of almost all companies. Some of the shares, such as Howrahs and Kamarhattys, are most speculative in character and violent oscillations are not unfrequent in the prices of these shares. But the troubles of the jute industry have resulted in gross overproduction which have been reflected in lower profits. Jute shares have lost, therefore, their attraction. The passing of the Ordinance by the Government of Bengal makes it necessary for every jute mill to take out a license from the Government, become a member of the Indian Jute Mills Association and work not more than the maximum number of hours allowed for a single shift system. This compulsory restriction in production should improve the prospects for the industry.

Only recently certain amendments were adopted to the constitution of the Indian Jute Mills Association. According to the new amendments all the signatories to the Working Time Agreement will have to be members of the Association and as the new rules are considered rather severe some of the powerful outside mills were unwilling to join the Association as members. Owing to the difficulty in bringing about a settlement without the intervention of the Bengal Government it was found necessary to pass the above mentioned Ordinance. The future for jute shares can be considered more hopeful.

The following list gives a rough idea of the importance of jute shares to investors as well as to speculators:—

Name	Paid up per Share Rs.	Dividend per cent for half-year	Current Quotation Rs.	Highest Price in 1937 Rs.
Howrah	10	$7\frac{1}{2}$	50	70
Kamarhatty	100	5	475	655
National	10	$3\frac{3}{4}$	22	26-8
Anglo-India	100	$2\frac{1}{2}$	330	445
Bally	100	1	172	225
Fort Gloster	100	$3\frac{1}{2}$	470	600
Gourepore	100	5	549	700
Kelvin	100	5	510	600
Reliance	10	$8\frac{3}{4}$	63	81

The total capital invested in this industry amounts to about Rs. 19 crores, distributed among 70 companies, most of which are situated in or around Bengal.

Coal shares have been the centre of attraction since the beginning of the present century, when there was a big boom in coal shares. These are 62 coal mining companies in the list of the Association, and dividends of even 80 per cent. have been declared by some of the companies. But, this industry was in a sorry plight due to over-production and fall in demand ; and profits came down. During the past one year and more there has been an improving tendency in evidence and with the shortage in production and the increase in demand prices have improved. The immediate outlook is very satisfactory. In the speculative counter, Equitable, Amalgamated, Raneegunge, Standard, Pench Valley are the most important. There are more than 200 companies registered in India for coal mining ; and the total capital invested in this industry approximates to Rs. 15 crores.

A large number of tea companies' shares are also dealt in in the Calcutta market, the number of companies in the list amounting to 136. During the post-war period, tea companies have been declaring very high dividends and shares of these companies soared high. But before the introduction of Restriction the industry was in doldrums. Only during the last three years the position can be considered satisfactory. The outlook is bright. But tea shares are difficult to be marketable and therefore only popular shares can be bought.

The total capital invested in this industry aggregates Rs. 13 crores distributed among 470 companies, of which about 430 are registered in Bengal and Assam.

40

Sugar shares number about 30. About Rs. 25 crores is invested in this industry. Prominent among the sugar shares in the Calcutta market are, Cawnpore, Balrampur, Punjab, Nawabgunj, Basti, Carew and Co., New Savan and Champarun. Owing to the disappointing results for the last season sugar shares have remained depressed.

The higher prices for sugar and the formation of the Indian Sugar Syndicate have been mainly responsible for the optimistic view regarding the future of sugar shares. It is also believed that the protection afforded to the industry will be renewed over another period of five years on substantially the same terms. There is no doubt, that the worst has been seen.

Besides, a large number of other industrial shares is available in the market. The Association's list includes 24 public utility concerns, 18 engineering companies, 24 railway companies, 57 rubber companies, 7 shipping companies, 4 paper companies, 13 cotton mills, 6 insurance companies and 7 mining companies. Other miscellaneous number about 50 in all.

The Bengal Share and Stock Exchange Association Limited was founded in 1937. Intended to be conducted on the lines of the Bombay Stock Exchange the newly formed Association has come in for a lot of criticism as disturbing the equilibrium of the Calcutta market. This Association provides facilities for ready and forward transactions. The forward transactions are completed in fortnightly settlements. In the Calcutta Stock Exchange Association Limited, transactions take place for delivery after the second working day and no business is done for forward positions.

The share capital of the Association is Rs. 5 lakhs divided in 500 shares of Rs. 1,000 each with power for the Association to increase and reduce the capital, to divide the shares in the capital for the time being into several classes, with or without any preferential, deferred, qualified of special rights privileges or conditions, but so that where shares are issued with any preferential or special rights attached thereto, such rights shall not (except when the term of issue otherwise provide) be alterable, otherwise than pursuant to the provisions contained in the accompanying Articles of Association. Up till now, 240 shares have been issued of which 110 shares have been subscribed for at a premium of Rs. 250 per share. The amount of premium and Rs. 250 per share as application money have been paid.

BOMBAY STOCK EXCHANGE

The number of shares on the forward list is 31 in all, 7 being in the miscellaneous section, 9 in the coal section, 9 in the jute section, 1 in the cotton section and 3½ per cent. Paper among Government securities.

The honour of being the pioneer in stock and share transactions in India goes to Bombay, which celebrated in 1937, the diamond jubilee of its Stock Exchange. Stocks and shares business in Bombay can be traced as far back as about a century, although it was only on July 9, 1875, that the Share Bazaar was officially founded. There were about 6 brokers only in 1840. This number sufficed for the limited business then existing in the shares of banks and presses. Till the year 1855, the meeting place of brokers was on the Cotton Green, where Elphinstone Circle is now situate. Thereafter, the brokers met between the old Fort walls and the old Mercantile Bank building. The American Civil War of 1861 diverted the demand for cotton to Bombay and brought vast wealth to the merchants, most of whom were share brokers. These brokers, under their acknowledged leader, the late Mr. Premchand Roychand, became possessed of great influence, authority and wealth. Between the years 1863 and 1865, when there was a gold share boom and the public were possessed of a great mania to acquire shares, the membership rose to 250. In 1877, they numbered 318 and assembled in Dalal Street to do business. The majority of the brokers consisted, as now, of Gujarati Hindus and Parsis.

In those days, brokers had to suffer many hardships. Business was conducted in the open air and there was no fixed business place. The police dispersed their congregation and drove them from post to post, while managers of banks and owners of shops cleared them off the steps of their premises. It was only in 1874, that some of the principal brokers realized the necessity of some organisation and accommodation for the conduct of their business. A place was selected in 1874 in what is now known as Dalal Street. In July 9, 1875, the brokers held a meeting in which it was resolved to establish a properly regulated association to protect the interest and status of share-brokers and provide a suitable hall for their use. Later, by an indenture dated 3rd December 1887, the Native Share and Stock Brokers' Association was formally constituted.

At the time of constitution, the Association possessed Rs. 38,000 made up of sale of 25 shares in the Victoria Manufacturing Company, Ltd., which were given to the Association by Sir Manockjee Petit, in consideration of the service rendered by certain members of the Association in the promotion of that Company ; Rs. 7,000 collected from members ; and a further sum given by Sir Dinshaw Manockjee Petit. A building was acquired for Rs. 1,00,000 and was opened by Mr. J. M. MacLean, M.P., in January 1899. In April 1920, an adjoining building was purchased for Rs. 10,30,000.

The Bombay Stock Exchange has to-day developed into a powerful and influential organisation. When the Association opened its doors 60 years ago, it consisted of 300 members ; at present there are about 470 members. In 1877, the fund of the Association was Rs. 2,500 only, while, to-day, it is more than Rs. 25,00,000.

Admission fee for membership was originally Rs. 51 only. It was afterwards raised to Rs. 1,000, then in 1917 to Rs. 7,000, and in 1920 as much as Rs. 40,000 was paid to the Association for the right of admission into the Brokers' Hall. It is now about Rs. 20,000.

Mr. Choonilal Motilal of Cambay was the first President and held that position for 20 years till his death. Mr. Somnarayan Harnarayan was the first Honourary Secretary, which post he held till his death in 1889. Among the other promoters were Mr. Premchand Roychand and Sir Shapoorji Broacha. Sir Shapoorji was the President for the next 20 years after the death of the first President. On his death in 1920, he was succeeded by Mr. Kikabhai Premchand, who resigned the post in 1922. For some months, the post of President lay vacant, and finally Mr. K. R. P. Shroff took the helm in his hand and continues in the same position until to-day, exercising an authority which is undisputed.

On 14th September 1923, the Government of Bombay appointed a Committee of 6 members, under Sir Wilfred Atley as Chairman, to enquire into the constitution, government, practices, rules and regulations, etc., of the Native Share and Stock Brokers' Association of Bombay (as it was then called) to investigate into any complaints of the public and to formulate definite proposals for the future constitution and control of the Exchange. This Committee submitted its report in January 1924, in which several important recommendations were

made. These recommendations were adopted by the Association and various useful changes in the constitution and rules were effected.

The Morrison Committee appointed during the year to enquire into the causes of the occurrence of frequent crises and suggest methods for checking unhealthy speculation submitted its report in March this year. While recognising the inevitability and utility of speculation as the adjunct of a free market the main recommendations aim at setting up a high standard. Most of the recommendations are designed to protect the investing public. The Committee's suggestions that the governing body should exercise certain special powers after reference to Government or that Government should intervene, have been subjected to violent attack and Bombay brokers as a gesture stopped business for a day. The recommendations of the Committee were given effect only recently. The introduction of the margin system and the stricter regulations will it is believed promote healthy activity.

The opening of a second share market in Bombay towards the close of 1937, must be mentioned in every review of the year. The older association continued its correspondence with the local government on the ways and means to implement the Morrison report, while despite some frowns an influential group of Bombay businessmen launched the Indian Stock Exchange, Limited. The opening of a second market which had not restricted its interest to Bombay shares alone led to a general revival of interest and the fact that the new exchange confines dealings to contracts for ready delivery although business for fortnightly settlements takes place under the rules made it unnecessary for it to ask for government sanction.

Conditions for admission, subscription rates and deposits are less onerous in the case of the new exchange which kept open for business on days when the older association declared holidays or as in the case of the minor crisis in February was compelled to suspend business owing to the definite indications of over-trading. Since the local government have taken up the matter of revising the stock exchange rules and procedure in a comprehensive fashion with the older association and is inclined to favour unitary control in all markets where forward dealings take place, it will be somewhat interesting to watch the career of the new Indian Stock Exchange. There is no doubt that the Indian Stock Exchange has enjoyed considerable support from Bombay investors. The duplication of exchange was generally frowned upon when the proposal was first made, but the manner in which the new exchange has functioned its regular and businesslike procedure has not only enhanced its chances of continuance but given Bombay a wider and freer market for dealings in securities.

As jute shares are in Calcutta, cotton mill shares are in the Bombay Stock Exchange. The total capital invested in this industry in India exceeds Rs. 40 crores, distributed among more than 370 mills, of which about 210 are in and around Bombay. The following list of cotton shares would give an idea of the importance of these shares:—

Shares	Paid-up per Share	Last Dividend per cent	Current Price
	Rs.	Rs.	Rs.
Ahmedabad Advance	150	15	381½
Bombay Dyeing ...	250	10	887
Century ...	100	8	286
Gokak	100	8	163
Lakshmi ...	250	5	497½
Morarjee ...	1,00	4	134

Tata Iron & Steel Company shares, Hydro-electric shares and Cement shares are the other most important counters in the Bombay market. Tata Steels, Tata Power and Tata Hydro-electric shares are highly speculative sections. Tata Steels Ordinary now quote Rs. 263, Deferred Rs. 1,280, First Preference Rs. 201 and Second Preference Rs. 166. Tata Hydro-electric Ordinary quote Rs. 151, while Tata Power Ordinary stands at Rs. 1,450.

Bombay is the home of the cement industry. Only in 1937 was the cement merger carried out. A company by name the Associated Cement Companies has been formed, and ten companies have joined the merger. The cement industry has come into prominence by co-ordination and rationalisation and there is no doubt that the future will be good. There are fears about overproduction as a result of the flotation of numerous new companies but the A. C. C. will withstand the competition. Only last year was the share of the company placed on the forward list.

LAHORE STOCK EXCHANGE

The Stock Exchange business in Lahore is of recent date. Holders of securities and shares have been dealing mostly with Bombay and Calcutta markets. It was only by the end of 1934 that some five or six brokers formed themselves into an association under the name of the "Lahore Stock Exchange" and began doing business under the rules formed by this private association. Efforts were made, a few years ago, under the initiative of Lala Harkishen Lal, to establish a registered Stock Exchange, but all attempts made by the sponsors were foiled by the late Lala Lajpat Rai, who started anti-propaganda stating that speculation in the Stock Exchange would be against the interests of the nation.

Towards the close of 1935, renewed attempts were made to start a registered association under the initiative and leadership of Sardar Balwant Singh Shihn, Rais and Zamindar; and in January 1936, "The Punjab Stock Exchange Ltd." came into existence. The capital of the Exchange is Rs. 1,00,000, divided into 100 shares of Rs. 1,000 each. The establishment of the Exchange was so well received by the public, that as soon as the issue of the shares was announced, there was a scramble for buying, and within a short time, the shares rose to a premium of Rs. 400.

The objects of the Exchange are, among others, as stated in the Memorandum of Association, to take over and conduct the affairs of the unincorporated Association called "The Lahore Stock Exchange." The rules and regulations are mostly on the lines of the Calcutta and Bombay Associations. The first Committee, as laid down in the Articles, consisted of 7 members. The entrance fee for membership is fixed at Rs. 500. Partners or assistants are required to pay Rs. 50 as admission fee and Rs. 10 per mensem as subscription. The membership subscription is Rs. 15 per month for each local member and Rs. 5 per month for each out-station member. The business hours are from 10-30 A.M. to 5 P.M. Contracts are entered into on cash delivery basis, as in Calcutta, i.e., delivery on or after the next working day after the date of the contract and cash to be paid on delivery. The bye-laws provide that, on the failure of the seller to deliver the shares within 30 days, and in the case of Government securities within 14 days, the buyer might report to the Committee requiring the cancellation of the contract, or for buying in the open market at seller's risks. Complaints and disputes among members are adjudicated by the Committee. The investing public are also allowed to lodge complaints against any member, which would be settled by the Committee, and the fee for each complaint has been fixed at Rs. 5.

The schedule of brokerage rates is as follows:

3½ per cent Paper	1 anna % on face value	
All other Govt. Securities ...	2 annas ,,	,,
Municipal and Port Trust Securities ...	4 ,, ,,	,,
Corporation Loans and Debenture Bonds ...	8 ,, ,,	,,

For shares, when the consideration money does not exceed Rs. 5 the brokerage per share is ... ... 1 anna

When the consideration money is above Rs. 5 but below Rs. 10, the brokerage per share is 2 annas

For consideration money up to Rs. 25 per share ... ... 4 annas

For consideration money up to Rs. 50 per share ... ... 8 annas

For consideration money up to Rs. 75 per share ... ... 12 annas

For consideration money up to Rs. 100 per share ... ... 1 rupee

When the consideration money is above Rs. 100, the brokerage is Re. 1 for the first Rs. 100 and additional As. 4 for each subsequent Rs. 50 or part thereof.

As compared with Calcutta and Bombay, the Punjab Stock Exchange deals in very few shares. The total number of companies on the list of the Exchange amounts to about 60, including 4 banks, 6 insurance companies, 13 electric supply companies, 13 sugar companies and 16 miscellaneous companies.

MADRAS STOCK EXCHANGE

The revival of the Madras Stock Exchange in August 1937 is an outstanding development of the past year. Business in stocks and shares in the year 1935 and 1936 had developed to such an extent that serious difficulty arose from the lack of a regular organisation controlling the activities of the brokers who had continued to do business even after the first Stock Exchange went out of existence in 1923. Industrial development within the province and the rapid growth of investment business with markets like Bombay and Calcutta rendered it necessary for Madras brokers to

have a definite organisation with specified rules of business instead of individual firms putting forth their rules of business, based usually on the Bombay model. Industrial enterprise and a striking advance in company flotation also made Madras brokers increasingly conscious of the handicap imposed by the lack of a Stock Exchange on the lines of Bombay or Calcutta.

While many of the Madras enterprises are as sound as any in India, the leading stocks did not receive sufficient attention on merits and it was realised that the functioning of a Stock Exchange would help to interest other markets in Madras stocks. There was a time when it looked as if the internal jealousies rampant would prevent the organisation of a regular share market, and for a month, a rival association functioned in competition with the larger organisation created by the leading brokers but good sense prevailed and both combined. The leading brokers are associated with the Madras Stock Exchange Association, Limited. Membership is open to members of broking firms on payment of Rs. 5,000 and a deposit of Rs. 5,000 is also furnished as security. The rules of business are similar to Bombay and the quotations issued to the Press in connection with daily transactions derive their authority from the Committee, and the old complaint that the prices of Madras scrips were made by interested brokers may be said to lack foundation now. Since Huson, Tod & Co.'s affairs were taken notice of by the courts, both brokers and public were pressing for a *pucca* exchange. Another compelling motive was to show other markets that Madras was not deficient in investment support as well as speculative enterprises and business in inter-market scrips has been stimulated considerably by the working of the Stock Exchange.

The settlement is for monthly account but Madras has a strong cash section. The forward list of 18 contains about 8 textiles and 4 planting shares and the transactions permitted in this group are in specified lots according to the face value of the share. The first President elected by the Association is Mr. C. M. Kothari with Mr. W. L. Knopp as Vice-President. The compromise arrived at with the rival associations has left the Stock Exchange Committee in control and the first few months of working have been wholly favourable.

Shares of about 90 limited companies, apart from Government Securities are dealt in Madras by the brokers. There are a number of bank shares, public utilities, cotton mills, cement companies, tea and rubber plantations and sugar companies in the Madras circle. The Madras brokers are efficient and enterprising and these qualities are reflected in the establishment of an organised Madras Stock Exchange.

The following are some of the important shares dealt in the Madras market, with their current quotations and last dividend declared:—

Indian Bank ...	50	10	110½
,, ,, ..	10	10	22½
Bank of Mysore	109	14	287
Indo-Commercial Bank 'A'	100	6	125
Madras Telephone Co.	10	9	18½
Trichy-Srirangam	100	12	186
Bangalore Woollen	100	8	164
Buckingham & Carnatic	100	10	198
Kaleeswarar Mills	100	20	284
Madura Mills Co.	15	10	31¼
Highland Produce Tea	10	25	20
Peermade Tea	10	20	23¾
Malankara Rubbers	30		39¼
Cochin Malabar	312½	7½	4⅝
Mysore Sugars	10	10	23½
Deccan Sugars	100		194

AGRICULTURAL SECTION:

AGRICULTURE IN INDIA

A GENERAL SURVEY

India, as text books of economics are never weary of reminding us, is predominantly an agricultural country, and agriculture must remain her greatest industry for many years to come. The physical features and the soil of the country from the Himalayas to Cape Comorin are so varied and rich that almost all the crops grown in the world could be cultivated in India. She holds the world monopoly for the cultivation of jute, and a virtual monopoly in shellac. As a producer of cotton, she is second only to the U. S. A., while in rice, she has to her credit the largest production and the largest consumption. Agriculture provides directly or indirectly employment for the great majority of the people. The census of 1931 shows that more than 70 per cent. of the total population of 350 millions depend on pasture and agriculture for their livelihood. The whole structure of the national economy rests on an agricultural base; and the problems of Indian agriculture which are vast and varied will before long have to be tackled by the State.

It is impossible, in the scope of an introductory article, to deal exhaustively with the various aspects of agriculture in India, and in the following paragraphs, only an attempt is made to give the reader a general idea of the present state of agriculture in the country and its place in the economic life of the nation.

The total area of India is 1,818,000 square miles or 1,163,685,000 acres with a population of 353 millions, according to the census of 1931. Of the total area 687,618,000 acres belong to British India, 426,825,000 acres are covered by Native States and 49,242,000 acres belong to the specially administered areas of the North-West Frontier Province and Baluchistan under the control of the Government of India.

The total surveyed area in British India, according to the prepared statistics of the Government of India, is placed at 667,594,000 acres, of which the area available for cultivation has been estimated at 433,539,000 acres or 65 per cent. of the total. Out of the balance, 13.4 per cent. is covered by forests and 21.7 per cent. by land absolutely barren, covered by buildings, water, roads etc. The net area sown every year varies from 30 to 40 per cent. of the total area available for cultivation. The gross area sown during 1934-35, after taking into account the areas sown more than once, amounted to 259,118,000 acres. The following table gives the classification of the above area under the various food and non-food crops:—

	Acres (1,000)	Percentage of Total
Food Grains (cereals & pulses) ...	200,635	77.4
Condiments & Spices ...	1,828	0.7
Sugar	3,524	1.4
Fruits & Vegetables ...	·4,820	1.9
Miscellaneous Foodcrops ...	1,837	0.7
Total Foodcrops ...	212,644	82.1
Oilseeds	14,543	5.6
Fibres	17,584	6.8
Dyes & Tanning Materials	647	0.2
Drugs & Narcotics ...	2,409	0.9
Fodder Crops ...	10,308	4.0
Mis. non-food crops ...	983	0.4
	46,474	17.9
Total ...	259,118	100.0

The above table shows that about 82 per cent. of the total area sown are under food-crops, while food grains, *i.e.* cereals and pulses, alone occupied 77 per cent. Fibres, which are mainly cotton and jute, covers only 6.8 per cent. of the total area. Oil-seeds, which are mainly grown for export purposes, occupy about 14½ million acres or 5.6 per cent.

Cultivation of food-grains, therefore, claims the foremost place in the agricultural economy of India. The staple food of the

people is rice, and wheat occupies the second place. Though India is the largest producer of rice in the world, and the second largest in the case of wheat,her export trade in both these commodities is of little importance, as most of the production is consumed within the country. Though of late, Indian wheat has been receiving the attention of foreign buyers owing to the world shortage in wheat stocks, export cannot be considered a permanent feature.

Of the total area under food grains, the United Provinces claim about 19 per cent., Madras 14 per cent., Bihar and Orissa 13 per cent., Bombay 12 per cent., Bengal 11 per cent., Punjab and Central Provinces 10 per cent. and other Provinces 11 per cent. The following table gives the total area under the various food-grains grown in 1934-35:—

	(In Thousand Acres)
Rice	79,520
Wheat	25,655
Barley	6,587
Jowar	21,853
Bajra	13,102
Ragi	3,738
Maize	6,185
Grain	13,732
Other Grains and Pulses ...	30,263

Oilseeds, such as linseed, groundnuts, etc., are mainly grown as an export crop and then importance to the country in general and to the cultivator in particular, is unique, inasmuch as it brings money from outside and is described as a cash crop. About 28 per cent. of the total area under oilseeds is in Madras, 14 per cent. in Burma, 13 per cent. in Central Provinces, 12 per cent. in Bihar & Orissa, 11 per cent. in Bombay, 7 per cent. in Bengal, 6 per cent each in Punjab and the United Provinces and 3 per cent. in other provinces. The following table gives the total area of the different oilseeds in 1934-35:—

	(1,000 Acres)
Linseed	2,128
Sesamum	3,393
Rape and Mustard ...	2,855
Groundnut	4,044
Cocoanut	665
Castor	422
Others	1,036

Cotton and jute are the main fibre crops which occupied about 17.6 million acres in 1934-35 or 6.8 per cent. of the total area sown. The cultivation of cotton extends to all parts of India, which is the second largest grower of cotton in the world. The total area sown in 1935-36 under cotton was estimated by Government forecast at 25,138,000 acres and the yield at 57,28,000 bales. More than half of the cotton production is exported, while the indigenous cotton mill industry absorbs about 40 per cent. Bombay is the main centre of the cotton trade and large transactions in cotton are carried on in the City both in the futures and ready markets.

The cultivation of jute is a monopoly enjoyed by India and is mainly confined to the Province of Bengal, though Bihar and Assam also grow the same fibre to a comparatively small extent. The total area under jute in 1935-36, according to the Government forecast, amounted to 2,181,000 acres and the production to 72,40,000 bales, but the Government figures have usually been underestimated. There is a big industry in jute spinning and weaving situated in and around Calcutta and which supplies a considerable part of the world's demand with jute manufactures. About 60 per cent. of the jute production is absorbed by the industry, while 40 per cent. is exported. Calcutta is the centre of the jute trade, not only for India, but to the world in general.

Sugarcane occupies only 1.4 per cent. of the total area sown, but its importance to India is immense. Ten years ago, India was importing sugar to the tune of Rs. 15 crores annually. But today, sugar manufacture is one of the most important industries in India. With the growth of the industry, the cultivation of cane also developed and India now occupies a proud first place among the sugarcane growers of the world. In 1934-35, the total area sown amounted to 3.5 million acres, yielding raw sugar of 5 million tons approximately. The United Provinces, Bihar and Orissa are the chief producers of the crop, though the cultivation extends to all other provinces.

The cultivation of fruits and vegetables has not gained much importance in India. The chief impediments in the way of any development in this sphere are the lack of transport facilities, prohibitive railway freights and lack of cold storage facilities. The total area under fruits and vegetables in 1934-35 was estimated at 4.8 million acres against 4.85 million in the previous year. There is vast scope for development in this industry in India and it is hoped that the recent flotation of several joint-stock companies to build cold storages vaults in all important towns in Northern India should go a long way to assist the progress of fruit culture. Yet, cheap railway freight and

transport facilities are, without doubt, the most vital needs of the trade.

Under drugs and narcotics, the total area sown in 1934-35 amounted to 2,409,000 acres distribued as follows:—

	(1,000 Acres)
Opium	9
Coffee	96
Tea	783
Tobacco	1,257
Other drugs and narcotics ...	264
	2,409

Fodder crops include oats, field vetch, guinea grass, lucerne, fodder *jowar* and *carob* or locust tree and the total area under this head amounted to 10,308,000 acres in 1934-35.

The normal outturn of the various crops in India depends mainly on the timely monsoon rains. But in recent years, irrigation has been resorted to on an extensive scale in tracts where rainfall is most precarious and the Government of India have been devoting more attention for the development of irrigation facilities. In lower Burma, Assam, East Bengal and Malabar Coast, where the rainfall is ordinarily heavy, the crops hardly need any irrigation, unless an unusual scarcity of rain occurs. The total area irrigated in 1934-35 amounted to 50,534,000 acres. Of this about 22.4 million acres were irrigated from Government canals, 3.7 million acres from private canals, 12.5 million acres from wells, 6.2 million acres from tanks and 5.7 million acres from other sources. Of the total area irrigated in India, the Punjab accounts for 29 per cent., U. P. 21 per cent. Madras Presidency 18 per cent., Bombay 10 per cent., Bihar & Orissa 10 per cent. and other Provinces 12 per cent. In the Punjab, of the total sown area 54 per cent. is served by irrigation, 44 per cent. in the N. W. F. Province, 38 per cent. in Ajmer-Merwara and 30 per cent. in the United Provinces.

A substantial portion of the revenue of the Government of India is derived from the land. There is a general complaint that the peasant is heavily taxed and that it is out of all proportion to his income.

Land revenue is assessed in British India under three heads *viz.*, (1) raiyatwari ; (2) zamindari or village communities (temporarily settled) and ; (3) zamindari (permanently settled). When the revenue is assessed by the State on individuals who are actual occupants or are accepted as representing the occupants, of smaller holdings, the tenure is known as raiyatwari. Under this system, there may be rent-paying sub-tenants. In the second category, *i.e.*, zamindari or village community, the revenue is assessed on an individual or community owning an estate and occupying a position identical with or analogous to that of a landlord. The tenure may be either temporarily settled *i.e.*, land revenue is fixed for a limited number of years only, or permanently settled, and if the latter is the case, it falls under the third category, zamindary (permanently settled). The total area assessed in 1934-35, as per the latest available Government statistics was 667,451,000 acres, of which 334,836,000 acres were assessed under raiyatwari system, 121,377,000 acres under zamindari or village community (temporarily settled) and 198,379,000 acres under zamindari (permanently settled). It will be noticed that 50 per cent. of the total area is held by raiyatwari proprietors, 30 per cent. by temporarily settled proprietors and 19 per cent. by permanenty settled zamindars. The total land revenue realised by the Government in 1934-35 amounted to Rs. 38,24,13,000 and the total population under assessment was 265,691,000 with the assessment per head amounting to Rs. 1-7.

Agricultural products hold a predominant position in the export trade of the country inasmuch as they constitute nearly 60 per cent. of the total value of exports from India. The following table would be illuminating in this connection:—

	(In Thousand Rupees) (1937-38)
Cotton, Raw and Waste ...	29,77,37
Tea	24,38,46
Seeds	14,17,88
Grain, Pulses and Flour ...	9,48,89
Jute, raw	14,71,92
Oilcakes of all kinds ...	2,42,58
Wood and Timber ...	26,33
Fruits and Vegetables ...	2,08,19
Rubber, Raw or Crude ...	83,83
Fodder, Bran and Pollard ...	9,46
Tobacco	1,99,61
Coffee	54,59
Oils—Vegetable, Mineral and Animal	1,01,03
Dyeing and Tanning Substances	81,36
Spices	93,48
Provisions and Oilman Stores	63,27
Gums, Resins & Lac ...	1,88,55
	Rs. 106,06,80
Total Exports of Indian Merchandise ...	Rs. 180,92,12

The above review relates only to the conditions in British India and information with regard to the conditions in the Indian States is unreliable inasmuch as existing statistics are incomplete and inadequate. But taking a general view of things one can boldly say that agriculture in most of the Indian States is not in any way better in comparison with the conditions prevailing in the British Provinces. Though in recent years some of the progressive states like Mysore, Cochin, Travancore, Baroda etc., are pursuing a vigorous policy towards improving the conditions of their agricultural population, their success, no doubt, depends to a great extent on the general policy of the Government of India, because the economic nexus between both is intimate.

The total area covered by Indian States and the specially administered areas of the North-West Frontier Provinces and Baluchistan amount to about 476 million acres, with a population of about 78 million. The agricultural statistics of these States are defective and incorrect, as their administrations are not maintaining any statistics at all. The States supplying information to the Government of India's statistical Department number only 77, comprising about 55 per cent. of the total area. The surveyed area in all the reporting states exceeds 145 million acres. Out of this, the net area sown in a year amounts to only 50 per cent. Of the net area sown 75 per cent. are covered by food-grains, 10 per cent. by oilseeds, 10 per cent. by fibres and 4 per cent. by fodder crops, the remainder being under miscellaneous crops. Almost all the crops produced in British India are grown in Indian States.

The foregoing survey is in no sense a comprehensive survey of India's agriculture or the problems thereof. The latter hardly admit of any useful treatment in the course of a short article. The aim, therefore, is rather to show the relative importance of the principal crops and to enable an appreciation of the extent to which the prosperity of India's agriculture is dependent on the internal conditions. The division between food-crops and money-crops will also, we trust, be apparent at every stage.

JUTE

India holds the world monopoly for the cultivation of jute on a commercial scale. The growing of the plant is confined almost entirely to the Gangetic delta and the Brahmaputra valley. Jute is a fibre extracted from the bark of the plant by retting in water, and then washed and dried. Bengal produces about 90 per cent. of the total yield, and the remaining quantity is grown in the adjacent provinces of Bihar, Orissa and Assam. The importance of jute to the world does not arise from its being a pre-eminent commercial product alone ; its bearing on the entire economic structure of the province itself, is unique. Though, in respect of the total acerage sown in Bengal, jute is only second to rice, covering 10 per cent. as compared with 72.5 per cent. under rice, (mean percentage for the decade 1921-30) the jute trade is in sharp contrast with that of rice, inasmuch as the former brings in money from outside the country. The value of the annual exports of jute and jute manufactures accounts for a remarkably high percentage, not only of the total value of the provincial exports, but also of the entire Indian exports. While jute and jute manufactures account for about 50 per cent. of the total value of exports from Bengal, these two items alone contribute more than 25 per cent. of the total value of exports from India.

The following table shows the comparative value of the jute crop to the cultivators, as compared with other crops of Bengal:—

VALUE OF MARKETABLE CROPS OBTAINED BY CULTIVATORS (ACCORDING TO HARVEST PRICES)

(In crores of rupees.)

PRINCIPAL CROPS	Average for Ten years 1920-21 to 1929-30	1930-31	1931-32	1932-33
Food Grains (in excess of consumption by cultivators)	20'83	21'22	17'04	13'64
Tobacco	4'57	3'80	2'44	2'13
Rape and mustard	2'96	2'01	2'42	1'07
Sesamum	0'65	0'43	0'20	9'34
Linseed	0'38	0'27	0'19	0'16
Other Oil Seeds	0'09	0'10	0'06	0'94
Jute Cotton	0'37	0'21	0'21	0'20
.. ..	35'72	17'60	10'29	8'62

While the figures given in the above table prove the immense importance of jute to the agricultural interests of Bengal, its superiority as the most remunerative crop from the point of view of agricultural economy is equally commendable. Of the four important agricultural products in India, viz., rice, wheat, jute and cotton, as far as the market value of the produce per acre is concerned, jute occupies distinctly the highest price, as illustrated by the following table:—

(AVERAGE FIGURES FOR 10 YEARS, 1904-13 INCLUSIVE)

Crops	Area in 1 acres	Yield 00 omitte	Yield pe acre	Wholesale price per Md	Market valu of produce per acre
		Tons	Mds.	Rs.	Rs.
Rice ...	569,895	24,025	11·5	4.75	54·62
Wheat	28,145	8,752	8·4	3·73	31·33
		Bales			
Cotton	20,980	3,837	0·88	28·30	25·04
Jute ...	3,114	8,299	12·9	9.68	128·79

From the above table, it can be ascertained that, while the value per acre of jute produced amounts to about Rs. 129, the value of rice, the chief food crop of India, amounts to only Rs. 55, whereas the cotton crop yields Rs. 25 per acre.

Though Bengal possesses the world monopoly for the most remunerative agricultural product in India, it cannot boast of having utilized the unique position to its best advantage. For, the cultivation of jute is not regulated according to the requirements of the world. It is this maladjustment between production and demand that made jute the worst victim of the recent world trade depression. The average price of jute realised during the decade before the depression and the depression period would give an idea of the steep fall in the price of jute.

	Average yearly production	Average harvest price per md.	Annual values (In crore Rs.)
1919-29 ...	4·70 mds.	Rs. 9-6-0	44·06
1930-34 ...	4·19 „	Rs. 3-10-0	15·20

The average income from the crop during the depression period has fallen to Rs. 15 crores from Rs. 44 crores during the decade immediately preceding the depression. Such a terrible loss to the income of the people threatened, in turn, to have great repercussions on the income of the Government. The Government of India and the Provincial Governments were urged from all quarters for immediate assistance to the cultivators. But the Government appeared to be half-hearted in taking any immediate measures. At last, the Bengal Legislative Council appointed a Jute Enquiry Committee, which, after about two years of enquiry, submitted a report. Meanwhile, the country had been caught in the grip of depression, and suffering from its effects. After great deliberation, and much leisurely consideration of the Jute Enquiry Committee Report, what the Government of Bengal decided was to launch a campaign amongst the cultivators for the voluntary restriction of the acreage under jute in the 1934-35 season. The very announcement of the Government resulted in a substantial improvement in the price of jute, though the bulk of the trade was sceptical of any success. The propaganda was not considered a great success at the end of the season; for, though the production showed a small reduction over the previous season, it was partly due to adverse weather conditions. Again, in the succeeding three seasons, Government stuck to the same policy and started voluntary restriction propaganda. But the increased production of jute during the three seasons proved voluntary restriction to be a disastrous failure; and had it not been for the crisis of unrestricted production in the industry, jute would not have improved from the low level.

The area under jute is normally between 20 to 25 lakhs of acres (its maximum was reached in 1907-08 with 38.8 lakhs of acres, and minimum in 1921-22 with 15.4 lakhs of acres). The average holding of the jute growing ryots is 3 acres, of which they put 1 acre under jute. The normal outturn of jute per acre is 3.7 bales in Dacca and Chittagong Divisions, 3.5 bales in Rajshahi Division, 3.2 in the Presidency and Burdwan Divisions, 3.3 in Bihar and Orissa and 3.5 in Assam. The sowing period extends from March to May, and harvesting is carried on in June and July.

The following table gives the area under jute in the three provinces of India for the last seven years and 1920:—

	Bengal		Bihar & Orissa		Assam		Total	
Year	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.
1920 ...	2,169,000	5,247,000	179,000	330,000	125,000	275,000	2,509,000	5,915,000
1930 ...	3,062,300	9,966,000*	238,000	670,000†	185,300	595,000	3,485,600	11,231,000
1931 ...	1,613,700	5,002,700*	148,800	367,200†	99,300	196,600	1,861,800	5,565,500
1932 ...	1,845,700	6,213,500*	170,000	518,500†	127,400	340,100	2,143,100	7,097,100
1933 ...	2,168,700	7,092,100*	192,100	473,200†	130,200	367,900	2,491,000	8,01[illegible]00
1934 ...	2,347,700	7,749,500*	173,800	472,000†	148,600	303,900	2,670,100	8,525,400
1935 ..	1,917,500	6,588,000*	145,600	389,000†	117,800	312,600	2,180,900	7,239,600
1936 ...	2,251,150	8,035,900*	477,100	1,138,300†	157,500	461,700	2,885,750	9,635,900
1937 ...	2,203,200*	7,071,600*	460,300	953,300†	197,700	592,800	2,861,200	8,617,700

* Includes Cooch Behar & Tripura States
† Including imports from Nepal

The above figures are taken from the forecast issued by the Government. But private estimates of the trade have always proved to be more reliable. The following table shows the actual production of jute for the past four seasons:—

Season	Calcutta Imports	Exports from Chittagong	Total Crop.
1933-34	86.45	3.01	89.44
1934-35	94.92	3.01	97.91
1935-36	79.92	1.58	81.49
1936-37	104.53	2.47	106.97

Indian mills are buyers of Jat, District and Northern jute mostly, but they also buy small quantities of the Tossa and Desi varieties. The United Kingdom and Germany are our largest buyers of jute. Dundee purchases high class jute of all grades, and particularly Desi and Tossa. The Continent purchases white jute of Northern and Western grades, and also ordinary quality of Desi and Tossa.

Calcutta is the chief centre of the jute trade. Around the city on the banks of the Hooghly are situated many jute mills Jute is purchased from cultivators in the mofussil markets, and sent to Calcutta and mill stations in kutcha bales by boats and rail. In Calcutta, it is assorted and pressed into pucca bales of 400 lbs. each by the balers. The jute balers have got an organisation of their own called the Calcutta Jute Balers' Association, who practically control the sales of ready jute. There is also a futures market for jute in Calcutta managed by the East India Jute Association, which is an organisation limited by guarantee and holding a membership of about 300. The futures market is controlled by a Board consisting of members of the various organisations of the trade. The futures market has got an important bearing in the fluctuations of jute prices.

In 1936, the Government of India sanctioned the appointment of an Indian Central Jute Committee, which has begun to function from the beginning of this year. The work of the Committee is said to include the improvement of the crop forecasting and statistics, production, testing and distribution of seeds, banking and transport facilities and improvement of marketing of jute. The personnel of the committee includes all interests belonging to the jute trade.

In 1937 the Indian Central Jute Committee was established with its headquarters at Calcutta. The Committee has been registered under the Registration of Societies Act XXI of 1860 and a grant of Rs. 5 lakhs per year has been sanctioned by the Government. Soon after the establishment of the office the Committee has taken up the work of making a comprehensive survey of the jute areas with a view to provide the trade with an accurate forecast of the jute crop. An enquiry into the marketing and transport of jute has been programmed. A laboratory for experimental spinning for research purposes is in the course of construction. The collection of accurate statistics is also undertaken by the Committee. The activities of the Committee are watched with keen interest by the trade.

RICE

Rice is, in many respects, the most important of India's agricultural products. It is the staple food of millions all over the country. Its cultivation, like that of cotton, is spread over nearly all parts of India. And the total acreage under rice was in 1931-32, for instance, as much as 84 millions, which is far in excess of the acreage under any three of the other crops. It contrasts, for instance, with 33.8 million acres under wheat in 1931-32 and 23.5 million acres under cotton.

The main zones of rice cultivation are Bengal, Bihar, Orissa, Madras and Burma. It is generally regarded as a winter crop, being harvested in December and January, while the sowing season extends from May to August. Two other less important crops are also raised in most provinces in autumn and summer. The table on the next page gives the area and production of the three rice crops in the various provinces.

The position of rice in each province is somewhat different in that the proportion between the exports and internal consumption in each province is not the same. But nearly every province, excepting Burma, consumes the major portion of its production. Bengal and South India are unique in that they enjoy an export trade in the better quality rice and import part of their requirements of low grade rice from Burma. India's export trade in rice has been subject to severe fluctuations in recent years and her position in the export markets has proved to be more vulnerable than one would have suspected a few years ago. In fact, she has practically lost all her European customers. But it is doubtful if, at any time, her predominant position as a producer of rice can be challenged. The disparity between India's output of rice and that of other principal rice-growing countries may be seen from the following table:—

PRODUCTION OF RICE.

(In Quintals 000's omitted)

	1929-30	1933-34	1934-35	1935-36
British India	474,949	471,516	461,310	425,672
Japan ...	107,703	131,457	96,214	106,638
Dutch East Indies ...	54,792	53,144	57,588	57,476
Siam ...	39,058	50,077	45,978	47,270
Korea ...	24,778	33,765	31,027	33,198
Formosa ...	11,720	15.121	16,869	16,923
Madagascar	6,150	7,228	6,689	6,800
U. S. A. ...	8,288	7,685	7,970	7,917
Italy ..	6,787	6,915	6,780	7,852
Asia ..	805,810	850,000	795,000	786,000
Africa ..	16,980	20,800	20,000	22,000
Europe (excluding U.S.S.R.)	10,215	11,171	11,586	12,418
S. America ...	13,660	15,200	16,900	15,000
World ...	856,000	909,000	856,000	848,000

India thus produces nearly half the total world output. But while, during this period, of six years, India's production has fallen from 475 million quintals to 426 million quintals, there has been a progressive increase in the production of other countries. Siam increased her production from 39 million quintals to 47 millions, Korea from 24 million quintals to 33 millions, Formosa from 12 million to 17 million and Africa from 17 million to 22 million.

This decrease of India's production and the increase of the production of foreign countries, lies the most important problem relating to rice. For, they show the extent to which India is losing the foreign markets for her rice and the rate at which India's customers are fast becoming her competitors in the rice trade. This process began with Japan's attempt to retaliate against India for the preference which she accorded to British steel at the time the first scheme of preferential duties was brought in in the Iron and Steel Protection Act of 1926. This Act deprived India of the Japanese market; and Japan has since changed herself rapidly from an importer of rice into an exporter the self-same product. But though in the case of Japan a political factor may be said to have been in operation, in the case of the European countries, the change must be attributed to what may well be called the discovery that large tracts in Western and Southern Europe are capable of producing rice in large quantities. The Mediterranean sea board has proved particularly fertile in this respect; and a recent trade agreement between Germany and Italy provides for Germany deriving a large part of her requirements of rice from Italy. In pre-War days about 47 per cent. of the total rice exports from India went to Europen countries, 42 per cent. to Asiatic countries and the rest were distributed among Africa, the West Indies and South America. In recent years not only the total exports reveal a marked

Rice Forecast

Provinces and States	Area in 1,000 acres				Yield in 1,000 tons			
	1934-35	1935-36	1936-37	1937-38	1934-35	1935-36	1936-37	1937-38
Bengal :—								
Autumn crop ..	5,572	5,851	5,757	5,864	1,842	2,015	1,908	1,968
Winter ,, ..	14,760	14,837	15,804	15,923	6,222	5,003	7,692	6,873
Summer ,, ..	408	404	432	407	209	189	219	208
Burma ,, ...	12,688	12,503	12,691	...	4,532	4,998	4,709	...
Madras ,, .	11,056	9,896	9,890	10,048	4,981	4,741	4,794	4,738
Bihar :—								
Autumn crop ...	3,381	2,416	2,304	2,314	924	611	663	682
Winter ,, ...	10,313	7,243	7,633	7,188	3,751	1,836	2,692	2,508
Summer ,, ...	40	12	12	13	13	3	4	5
Orissa :—								
Autumn crop .		1,132	1,128	921		229	332	271
Winter ,, .		4,059	4,107	4,109		1,059	1,312	1,344
Summer ,, .		27	28	28		8	8	8
Assam :—								
Autumn crop	901	1,065	1,057	1,002	219	279	306	290
Winter ,,	3 676	4,024	4,179	3,828	1,235	1,304	1,505	1,363
Summer ,,	193	197	197	193	87	80	84	84
Bombay :—								
Autumn crop ...	3,524	2,398	2,267	2,322	1,587	1,027	871	1,072
Spring ,, ...	18	17	16	16	8	7	6	6
United Provinces	6,489	6,672	6,683	7,033	1,946	1,955	1,928	2,022
C. P. and Berar	6,762	6,672	7,683	7,727	2,059	1,865	2,362	2,029
Sind ..		11,30	1,188	1,188	...	387	479	501
Coorg	83	83	85	85	38	54	55	55
Hyderabad .	1,184	1,064	1,135	864	355	336	418	311
Mysore .	680	741	726	705	178	222	229	220
Baroda ...	228	206	179	190	67	52	28	37
Bhopal (Central India) ...	24	28	29	29		9	10	9
Total	81,980	83,556	85,210	71,992	30,261	28,269	32,598	26,544

decline but a clearly discernible change of direction is also noticeable. The changes in India's export trade in rice may be epitomised in the following table:—

RICE NOT IN HUSK

(in Tons)

Exported to	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom ...	57,876	131,083	75,210	71,415	88,375	50,122	53,754	5,864
Germany	162,238	226,676	228,106	246,113	157,934	79,209	53,831	108
Netherlands ...	100,364	112,412	95,641	80,885	62,408	69,799	111,724	5,748
Ceylon	444,237	409,869	394,814	403,329	391,501	423,706	427,591	91,101
Straits Settlements ...	265,335	239,757	156,479	153,971	135,436	138,418	161,495	7,761
Sumatra	129.307	95,843	62,491	69,805	70,013	74,744	47,210	...
China ...	467,246	416,809	233,823	170,613	173,425	71,747	16,585	4
Egypt	21,921	111,502	36,285	24,102	29,883	13,706	9,166	80
Cuba	61,892	70,173	39,043	46,190	16,715	25,449	32,020	3,155
Other countries ..	513,363	487,291	506,804	466,086	466,847	446,715	543,654	113,508
Total ...	2,253,784	2,301,415	1,828,196	1,732 539	1,592,517	1,393,615	1,457,030	227,269

The above figures regarding production and exports include those for Burma except in the case of exports for 1937-38, for which figures for British India alone are given. It must be remembered that before the separation of Burma, so far as the rice trade was concerned, Burma was responsible for about 90 per cent. of the export trade in rice. As would be seen from the table of rice forecast given on another page, though the total annual production of Burma in 1936-37 amounts to only about 5 million tons against the total production of 33 million tons, a large part of the crop is exported to either British India or to foreign countries. So far as British India is concerned she is now a net importer of rice and recently large imports of cheap Burmese rice into Bengal and South India has been a serious menace to the internal trade. All the surplus production of Burma is dumped into the Indian market at extremely cheap prices, with the inevitable result of depressing the internal market. This is all the more unfortunate when it is realised that India is capable of producing all her requirements of rice. It is, therefore, an absolute necessity to control the imports of Burmese rice and thus endeavour to stabilise the rice trade in this country. Such a course would be necessary, for all efforts at an expansion of internal wealth by means of reclaiming more lands for rice cultivation would not be a success in the face of cutthroat competition from the Burmes product.

The import of Burmese rice into India must be now treated in the same way as in the case of Siam and Indo-China. It is still fresh in our memory how the dumping of rice from Siam and Indo-China into the Southern Presidency three years ago almost crippled the rice trade. The conditions in the rice trade had already been depressed, partly on account of the world economic crisis and partly on account of certain local factors and the imports of Siamese rice created a very acute situation, in which the rice-growers had of necessity to organise themselves for the purpose of agitating against such imports and demand from the Government of India an import duty on rice. As in most other popular demands, The Government of India evinced the utmost reluctance to afford this relief to Indian rice and finally conceded a grudging and inadequate relief in the shape of a duty of annas 12 on every maund of broken rice.

Though this has helped to reduce the enormous quantity of exports, India is still importing rice, the total value of imports in 1936-37 amounting to more than Rs. 55 lakhs from countries other than Burma.

The rice trade in India is still lying in the melting pot and prices have been continuously falling during the past two years. As for instance, Seeta No. 1 in Bengal has declined from Rs. 5-8 in December 1936

to about Rs. 3-4 in the first half of 1938, while Table rice No. 1 has fallen from Rs. 5-4 to about Rs. 3 during the same period.

The loss of the foreign markets and the advent of foreign competitors even at home make it fairly clear that our national policy in regard to rice must concentrate more and more on the internal demand. There can be no question that, in consideration of the increase in the total population and the extent to which the masses are under-fed in creasing consumption and thus ensuring a balance between internal production and consumption.

Under the Ottawa Agreement the United Kingdom and some other British colonies have granted to Indian rice a preference to the extent of 1d. per lb. But the results of the past years have shown little en- of any real benefit. It has been said that couragement to think that the preference is Indian rice is not sufficiently polished or well-finished to attract the British consumer, though its intrinsic quality is in no way inferior to that of the Spanish or American product, which are in good demand in Great Britain. Moreover, the rice trade in India is not well-organised and the majority of traders are guilty of negligence in meeting the needs of the foreign consumer. If an organised attempt is made in the direction it would not be indeed a difficult task for Indian rice to regain its lost reputation in the foreign markets.

COTTON

India is the largest producer of cotton in the world next to the United States of America. Though the total area sown under cotton amounts to only less than a third of that under rice, its importance may, in one view, be said to be even greater than that of rice, inasmuch as it is a money crop. Besides supplying the raw material for a staple industry, cotton forms a valuable item of India's export trade. More than 50 per cent. of the total production is exported to foreign countries, Japan being the chief customer, while about 40 per cent. of the crop is absorbed by the mills in India and the remaining few lakhs of bales utilised by the cottage industry of handspinning and weaving.

In spite of the fact that more than half the total production of Indian cotton finds an export outlet, it does not figure as much in the international trade as the American or Egyptian cotton. For, with the exception of Japan, whose takings alone amount to more than half of the total exports, there is no large single customer for Indian cotton. This drawback of Indian cotton is due mainly to its inferior quality as compared with the American or Egyptian product. Though several successful experiments have been carried out by the Government in the past few years and the growth of improved cotton has been encouraged, a good deal remains to be done before the Indian variety attains the standard of the foreign growths.

Apart from the question of quality, another important factor which goes to reduce the competitive ability of Indian cotton in the world trade is the backwardness of cultivation. That cotton growing in this country is still, like the rest of our agriculture, on primitive lines, is clearly evident from the extremely low yield per acre of Indian cotton. While in Egypt, the average yield per acre is about 400 lbs., and in the United States 170 to 200 lbs., in India it is only about 80 lbs. per acre, which is slightly more than half of the world average of 150 lbs. The low yield per acre in India is not confined to cotton alone but it is a general complaint in all the other commodities grown in India, though one has to admit that in the case of cotton it is unreasonably low. Cotton cultivation thus offers not a little scope for the activities of the Imperial Council of Agricultural Research and the Indian Central Cotton Committee. Another important aspect of cotton in India is that its production is well spread over nearly all parts of the country and that measures for improving its position and prospects will shower their benefits on all provinces, unlike most economic measures, which may be represented to be partial to one province or two at the expense of the others. It is also significant that the coton textile industry in India is not merely on a large scale and capitalist lines, but it also embraces a handloom industry, which is run as a cottage industy and which, with encouragement, is capable of becoming a very valuable support for the rural masses. Cotton spinning in the *Charka* and *Khaddar* making, which said to be a part time household occupation of the poor agriculturists, is now being revived and encouraged by the India National Congress. Cotton may, therefore, be said to run through the gamut of India's economic life and has, therefore, a far greater claim on State policy than any other single economic factor.

As already mentioned America is the

world's largest producer of cotton and together with India she accounts for about 60 to 75 per cent. of the world's total production. The following table gives the figures of production for the various cotton producing countries of the world:—

WORLD'S COTTON CROPS

(In Thousands of bales of 500 lbs.)

Country		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United States— Lint	...	14,825	13,932	17,096	13,002	13,047	9,636	10,638
United States— Linter	...	1,241	986	1,067	912	982	975	1,000
Total	...	16,066	14,918	18,163	13,914	14,029	10,611	11,638
Mexico	...	240	174	203	99	255	233	235
Brazil	...	564	471	575	438	958	1,309	1,589
Peru	...	266	265	228	237	278	336	370
Argentina		138	136	165	146	206	258	295
Other South American		66	57	46	39	76	70	100
India*	...	5,243	5,226	4,007	4,657	5,108	4,858	5,728
China	...	2,055	2,386	1,733	2,195	2,652	3,030	2,309
Japan and Korea	...	137	147	99	133	197	224	239
East Indies, etc.	...	18	18	15	13	14	20	20
U. S. S. R.	...	1,279	1,589	1,846	1,776	1,917	1,744	2,493
Persia	...	73	64	107	79	181	200	200
Iraq, Ceylon, etc.	...	4	3	1	†	†	2	4
Asia Minor etc.	...	143	120	131	68	191	258	345
Egypt	...	1,706	1,655	1,271	991	1,715	1,511	1,707
Sudan	...	127	96	188	110	126	237	193
East Africa (British)	...	131	166	182	269	274	273	322
South Africa (British)	...	14	8	3	2	3	3	4
West Africa (British)	..	35	15	5	20	23	47	52
Non-British Africa	...	121	125	96	121	156	192	190
West Indies (British)	...	4	4	2	2	3	4	4
West Indies (Others)	...	25	21	31	26	23	30	23
Australia, etc.	...	12	10	4	11	18	14	16
World's Total	...	28,467	27,674	29,102	25,345	28,403	25,481	28,026
World's (exl. U. S. A.)	...	12,401	12,756	10,939	11,431	14,374	14,870	16,388
Percentage of Total	...	43·0	46·0	37·5	45·1	50·7	58·5	58·6

*Government estimate, 400 lb. bales. †Less than 500 bales.

It is interesting to note that while, during the last few years, America's share of the total output of cotton has been increasing, she has been losing ground in the world markets not only to her old rivals, but also to certain new countries which have increased their output and are still planning for further expansion of acreage under cotton. This development must be attributed to the comparatively higher price of cotton, which has resulted from the special measures taken by the Roosevelt Administration to maintain the price of raw cotton at a certain level without reference to world prices. This artificial raising of prices was attained by the American Government by granting loans of 12 cents. per lb. of cotton to farmers, thus strengthening their holding power, and by purchasing large quantities of cotton at a fixed minimum. This had, no doubt, helped to maintain the price of American cotton at a high level in the beginning. But ever since the decision of the American Supreme Court in 1935 declaring the N. R. A. unconstitutional and later the Agricultural Adjustment Act and the Bankhead Cotton Control Act, the whole structure of President Roosevelt's Recovery Plan was upset. The disposal of the enormous holdings of Cotton in the hands of the American Government became a problem. The high artificial price of American cotton was taken advantage of by foreign growers who steadily increased their output, which consequently reduced the export demand of American cotton. The terms of the loan were modified in 1936 and a ten cent. loan with a subsidy of 2 cents per lb. was announced. But the absence of any effective control increased the production of cotton to above 12 million bales in 1936 and this year the production has further increased to exceed 16 million bales. This big increase in the American cotton output and a further reduction of the Government loan to 9 cents per lb. with a subsidy of 3 cents caused a disastrous landslide in the price of cotton in the second and third quarters of 1937.

It will be noticed that the production of Indian cotton, too, has been increasing

during the past few years, while at the same time the favourable parity of Indian cotton prices helped to increase our exports. The following table gives the volume and value of our cotton exports during the last six years and the prewar average:—

EXPORTS OF RAW COTTON

(Quantity in Thousands of Bales of 400 lbs.) *(Value in Lakhs of Rupees)*

Country to which Exported	Pre-War Average	932-3		35	35-36			Pre-Wa Averag			934-35	935-36	936-37	937-38
United Kingdom	122	168	342	347	456	601	395	172	161	3,37	3,42	4,5	6,53	4,28
Other parts of British Empire	30	2		3		4		41	3		3			5
Japan ...	1,012	1,085	1,105	2,053	1,759	25,99	1,359	14,51	11,12	11,38	21,53	17,94	25,41	14,79
Italy ..	233	151	261	278	155	165	142	3,18	1,44	2,39	2,55	1,42	1,70	1,57
France ...	109	123	161	148	165	155	95	1,51	1,17	1,53	1,35	1,6	1.58	94
China (exclusive of Hongkong, etc.) ..	31	134	345	142	109	72	69	43	1,33	3,30	1,29	1,05	72	69
Belgium ...	277	128	144	153	2,25	316	197	3,68	1,30	14	1,49	2,20	3,21	2,10
Spain ...	50	50	55	60	68	27	..	73	49	63	55	64	25	...
Germany ..	351	151	246	153	258	213	168	4,45	1,33	2,09	1,37	2,61	2,22	1,71
Other Countries...	192	71	159	153	199	166	302	266	55	1,40	1,40	1,73	2,74	2,90
Total British Empire ...	152	170	345	350	459	605	400	213	1,64	3,37	3,45	4,56	6,58	4,33
Total Foreign Countries ...	2,255	1,893	2,476	3,140	2,938	3,663	2,332	31,15	18,73	23,22	31.05	3,321	37,83	24,70
GRAND TOTAL ...	2,407	2,043	2,821	3,490	3,397	4,268	2,732	33,28	20,37	26,59	34,95	33,77	44,41	29,03

It will be found that, in the years of the depression, the cotton trade was subject to vicissitudes of which the slump in India's exports in the year 1932-33 is the most noteworthy. As is well-known, this slump was due to the boycott of the Indian cotton carried out by Japan in answer to India's treatment of Japanese piecegoods. During the period Indian cotton was subjected to the boycott, the price of cotton slumped heavily leading to serious distress among the cotton growers. The Japanese cotton textile industry also was hard pressed; and, in these conditions, it was found comparatively easy for Japan and India to come to an agreement laying down somewhat variable quotas for the export of India's raw cotton to Japan and Japan's export of piecegoods to this country. It will be seen from the figures of our exports of cotton during the last two years that Japan has kept her part of the agreement in regard to her off-take of Indian cotton, though, it may be added, here and there, there are complaints of Japan's attempts to evade the Pact in respect of her exports of piecegoods by resorting to various questionable devices.

This pact with Japan was again renewed at its expiry in March 1937. According to the new Pact Japan is allowed to import 283 million yards of cotton piecegoods in return for her taking one million bales of raw cotton every year; and the maximum import of piecegoods has been limited to 358 million yards in exchange for 1½ million bales of cotton.

Next to Japan, the principal market for Indian cotton is the United Kingdom. But this position was gained by her only since 1933 as a result of the Mody-Lees Pact, which contemplated the pursuit of propaganda in Lancashire for increased consumption of the long-staple qualities of Indian cotton. Thus, it will be found that the greater portion of India's total exports of cotton is absorbed by Japan and the United Kingdom. Other Continental customers

could not be relied upon as their takings have been very irregular and comparatively lower.

Though a considerable part of the production finds an export outlet, it must not be forgotten that India has a large cotton mill industry of her own, which has been expanding with rapid strides during the last few years. The annual consumption of Indian cotton by mills in India amounts to about 2,500,000 bales.

As has been already pointed out the production is spread over the whole of India. Bombay Presidency, and the Punjab are the two largest producing centres. The following table gives the distribution of the acreage of cotton in India during the season 1936-37:—

		Area in 1,000 Acres	Yield in 1,000 Bales
Bombay	...	5,894	1,145
C. P. & Berar	...	3,969	810
Punjab	...	3,692	1,920
Madras	...	2,578	535
United Provinces	...	695	174
Burma	...	982	518
Sind ...	...	511	113
Hyderabad	...	3,080	499
Central India	...	1,407	202
Baroda	...	871	137
Gwalior	...	714	106
Rajputna	....	534	73
Mysore	...	85	12
Other Provinces			
Total		25,219	6,807

It may be easily guessed from a glance at the above table that, as cotton production is spread over a wide variety of climatic conditions, there is no uniformity in respect of the season for sowing and planting. Another circumstance tending to aggravate this lack of uniformity is that in certain areas, the cotton lands are not irrigated but rain-fed. The Bombay presidency occupies a pre-eminent position in the production of cotton, and in the other provinces, its place in the provincial economy can hardly be under-rated. There is a wide range of Indian cottons, the chief of which are Broach, Khandesh, Kumta-Dharwar and Sind in Bombay ; Oomras in Central Provinces and Berar ; Cocanada, Kambodia, Karungani and Tinnevellys in Madras Presidency, Sind-Punjab and Punjab-American in the Punjab: Bengals in United Provinces and Comilla of Bengal and the other North-Eastern provinces. Under the Indian Cotton Cess Act, a cess of As. 2 per Standard bale of cotton is levied on the Indian cotton exported to foreign countries. On cotton consumed in the Indian mills, a cess of six pies per lb. is levied. This cess forms the funds of the Indian Central Cotton Committee, which devotes it to improvements in cotton-growing, marketing and for carrying on research work in this connection. The cotton trade, however, is regulated in the Bombay presidency by the East India Cotton Association, which is a statutory body with power to control transactions in raw cotton. It was in 1918 that provision was made for a unitary control of the dealings in raw cotton, which, before that year, were conducted under the rules of the Bombay Cotton Trade Association or of the Bombay Cotton Exchange. The East India Cotton Association came into being in 1932 and, since then, the cotton trade has functioned smoothly and efficiently. In other parts of India, the cotton trade is not so organised as in Bombay, but the ready marketability of this commodity and the busy export trade have brought about close links between the cotton-grower and the exporting houses through a series of middlemen, who may be said to be common to almost all the principal agricultural staples. There is a general movement in favour of bringing the marketing of cotton within the scope of the co-operative movement. But, this, as most other reforms in India's rural economy, would seem to be a slow progress.

Apart from these problems connected with the improvement in methods of cultivation and of marketing, the question of enabling the area under cotton and the total production to regain the levels of the pre-depression period was to be tackled by the Central Cotton Committee. For, it is to be remembered the area under cotton underwent a steady decline from 1929-30 up to 1932-33 and that thereafter there was a slight rise in 1933-34. 1934-35, however, according to the revised figures, failed to keep up the upward trend. The position may be better appreciated by a glance at the following table:—

		Acreage (In 1,000's)	Production bales (In 1,000's)
1929-30	...	25,922	5,248
1930-31	...	23,812	5,224
1931-32		23,522	4,064
1932-33	...	22,483	4,657
1933-34	...	24,137	5,108
1934-35	...	23,972	4,858
1935-36	...	25,999	5,938
1936-37	...	25,219	6,307

It will be seen that, though the production in 1934-35 was only 4.8 million bales, in 1936-37 the production of cotton improved substantially to 6.3 million bales. The Indian Central Cotton Committee has achieved considerable success in other directions also. It is through its efforts that several legislative measures designed to improve the growing and marketing of Indian cotton have been introduced in British India and in Indian States. Under its direction scientific investigations are carried on into the causes and prevention of cotton pests and the Committee also finances large-scale operations for the rapid extension of improved types of cotton. Valuable and accurate statistics are also maintained by the Committee and on the research side the Committee's Technological Laboratory at Matunga is proving to be of immense benefit to the agriculturists and the trade.

SUGARCANE

With the rapid development of the sugar industry in India during the past decade and a half, sugarcane has gained the importance of a prominent and paying crop. Till ten years ago, India had been importing sugar worth abount Rs. 15 crores annually. The development of the sugar industry not only brought down the value of total imports to less than a crore of rupees in 1936-37, but helped at the same time, the growth of sugarcane cultivation. And, to-day, India occupies the first place amount the producers of cane in the world. The annual value of the crop is estimated at Rs. 60 crores. The amazing progress in sugarcane cultivation can be seen from the following table:—

Year	Area in 1,000 acres	Acre-age under improved varieties 1,000 acres	Calculated production of sugar-cane in 1,000 tons
1925-26	2,806		34,882
1931-32	3,076	1,170	43,816
1932-33	3,435	1,846	51,129
1933-34	3,433	2,295	52,455
1934-35	3,602	2,446	54,846
1935-36	4,020	3,071	61,202
1936-37*	4,431	3,500	67,822

*Estimate

Sugarcane grows in almost all the provinces of India. United Provinces is the largest producer of sugarcane, her share of the total production amounting to about 54 per cent. The second place is held by Bihar and Orissa, though the Punjab claims to be the second as regards the acreage sown. The following table shows the total acreage and yield of sugarcane in the various provinces of India:—

Provinces and States	Area (1,000 acres)			Yield (1,000 tons)			Yield per acre lbs.		
	1937-38	1936-37	1935-36	1937-38	1936-37	1935-36	1937-38	1936-37	1935-36
United Provinces (a) ...	2,181	2,515	2,249	3,141	3,802	3,336	3,226	3,386	3,323
Punjab	512	554	474	363	465	360	1,588	1,880	1,701
Bihar and Orissa ...	376	490	478	416	544	686	2,332	2,401	3,483
Bengal	290	355	325	483	626	560	3,781	3,950	3,860
Madras	98	122	119	267	339	329	6,103	6,224	6,193
Bombay (b) ...	122	136	122	297	329	326	5,484	5,445	5,141
N. W. F. Province ...	70	71	59	75	78	63	2,400	2,461	2,397
Assam	38	40	37	39	40	37	2,299	2,240	2,246
C. P. and Berar ...	33	30	30	50	51	48	3,394	3,570	3,580
Delhi	6	5	3	2	4	3	4,115	2,688	2,244
Mysore	49	52	51	69	75	53	3,154	3,281	2,829
Hyderabad	30	58	59	4	124	99	4,480	4,789	3,750
Baroda	3	3	3	6	4	3	2,987	2,987	2,242
Bhopal	7	6	5	...	6	5	1,920	2,240	1,860
Total ...	3,815	4,440	4,020	5,275	6,489	5,109	3,097	3,274	3,292

(a) Including Rampur State.

(b) Including Sind and Indian States.

It will be seen from the above table that Madras, with 6,103 lbs. per acre, leads in respect of yield per acre and Bombay with 5,284 lbs., comes second, but the United Provinces, whose production amounts to about 60 per cent. of the total yield, with her yield per acre at 3,226 lbs. is far behind many other Provinces.

Out of the above total area, about 79 per cent. was under improved varieties as compared with only 38 per cent. in 1931-32. The credit of the increased planting of the improved varieties of cane goes to the Imperial Council of Agricultural Research, who has been doing good work in recent years for the propagation of improved varieties of

cane among the cultivators. In this connection, the research work carried on by the Imperial Sugarcane Station at Coimbatore on cane-breeding technique has been of immense benefit to cultivators. The Sugar Committee of the Imperial Council recommended, in July 1935, a grant of 2 annas per rupee out of the proceeds of the Excise duty on sugar for research, while the Tariff Board recommended a grant of Rs. 10 lakhs per year for this purpose. The total amount of grant, made or promised, to the Imperial Council, for expenditure on Sugar Research up till now, approximately amounts to Rs. 35 lakhs. This shows the great value placed on the importance of research work in sugarcane. Indeed, skilful research work would be of great value to the prosperity of the industry, as well as of the agriculturists, as the percentage of recovery of sugar in factories in India is far below the average recovery in Java, which fact is evident from the following table:—

AVERAGE PERCENTAGE OF RECOVERY OF SUGAR IN INDIAN AND JAVA FACTORIES

Year	U. P.	Bihar	Bombay	India	India Maximum	Java
1931-32	8·59	9·06	..	8·89	10	11·92
1932-33	8·55	8·60	10·00	8·66	10	11·16
1933-34	9·08	8·32	10·00	8·80	10	12·64
1934-35	8·56	8·79	10·37	8·66	11·10	12·35
1935-36	9·60	8·93	10·47	9·29	11·34	...

Unlike the Java factories, which cultivate surgcane around their factories by using modern appliances, the factories in India are mostly dependent, for their supply of cane, on a large number of cultivators. It is to be hoped that the united efforts of the Government of India and the authorities in the various provinces to fix a standard for sugarcane and the introduction of improved methods of cultivation in future would benefit the industry greatly.

Apart from Government's help in the matter of improvement of sugarcane, another direction in which the cultivator can be benefitted, is by means of the efforts of authorities in the various provinces to fix a minimum price for sugarcane. The United Provinces and Bihar have made rules under the Sugarcane Act of 1934 regulating the purchase of cane and fixing the basic price of cane at 5 annas a maund. Though the Governments of these Provinces were confronted with many difficulties on their way, they are successfully combating them all, one by one. In October 1935, the Government of Madras issued draft notifications declaring certain areas in the presidency as "controlled areas", and fixing the minimum price for the purchase of cane in those areas. The Bengal Government are also considering the application of the provisions of the Sugarcane Act in Bengal. The Mysore Government are also reported to have decided to fix minimum prices for cane in Mysore.

After the advent of Provincial Autonomy, the Congress Ministries of Bihar and the United Provinces enacted comprehensive legislation for the control of sugar factories, ensuring a minimum price for sugarcane. The main provisions of the Act were licensing sugar factories, the regulation of the supply of sugarcane to factories, the fixation of a minimum price for sugarcane, the establishment or a sugar Control Board and Advisory Committees and a tax on the sale of sugarcane intended for use in factories.

Though the sugar industry in India has grown enormously in the past decade, it must not be, however, understood that the whole or even a large part of the cane grown in the country is consumed by the sugar factories. As a matter of fact, the sugar factories in India crushed only about 16 per cent. of the total production of cane in 1935-36, while about 70 per cent. was absorbed for *Gur* manufacture.

India holds the first place among the producers of cane sugar in the world. Ten years ago, the first place in production belonged to Cuba which produced 161 per cent. more than India, but to-day the position is heading to be the reverse. While the total production of sugar in India in 1934-35 amounted to 31 million quintals, that of Cuba has amounted to only 22 million tons. The following table gives the world production of cane sugar for 1934-35 with comparative figures:—

WORLD PRODUCTION OF CANE SUGAR

(In Quintals : ooo's omitted)

Countries	1925-26	1934-35	1935-36	1936-37
India ...	18,100	31,300	36,000	40,900
Cuba	46,900	24,600	24,769	28,250
Formosa ...	4,999	9,657	9,016	9,865
Hawaii ...	6,680	8,397	9,360	9,090
Phillippines ...	5 510	7,235	10,298	12,000
Australia	5,263	6,118	6,175	7,425
Brazil ...	9,040	11,550	11,710	10,000
Java ...	19,416	5,097	5,924	18,000
Puerto Rico ...	5,140	6,680	7,950	8,080
South Africa ...	2,176	3,254	3,786	4,049
World ...	150,200	147,200	163,000	182,400

*Estimates

Europe, North America and Russia are all producers of beet sugar. The total production of beet sugar in the world in 1936-37 was estimated at about 93,500,000 quintals (1 quintal-415.248 lbs.). Of this, Europe produced about 60,400 quintals, Russia 20,000 and the United States of America 11,900 quintals. In Europe, Germany is the chief producer her share exceeding 16,000 quintals in 1936-37.

WHEAT

Wheat is one of the few agricultural commodities in which India has no large international importance. India is one of the largest producers of the commodity in the world, but nearly the whole of her output is consumed within the country. During recent years her exports had dwindled to practically nothing ; in fact India even figured as a positive importer of wheat from Australia, which forced the Government of India to impose a duty on wheat imports. But the result of last year's trading showed very encouraging signs of a revival in our wheat exports. Our total export of wheat in 1936-37 amounted to 231,505 tons which was a record for several years. The big increase in our exports has been mainly due to the great shortage of wheat supplies in the world, and the low parity of Indian wheat prices as compared with those of foreign growths. Owing to the successive failures of the U.S.A., Argentine and Canadian crops for the last three years, the world's exportable stocks of wheat declined from 625 million bushels in 1932-33 to about 120 million bushels at the end of July 1937. The rapid decrease in supplies fortunately coincided with a sudden expansion in demand owing to the wars in Abyssinia and Spain, and also the warlike preparations of the European nations. These factors created a boom in all commodity markets, and wheat being one of the staple commodities, prices registered a rapid rise. The scarcity of supplies in other important centres in the world directed the attention of European buyers to Indian wheat, the quality of which was found to be equal to Argentine or Manitoba wheat. The Indian exporter at Karachi was alert in seizing the opportunity and made enough amends for his past mistakes by taking particular care to despatch good quality wheat. It is a matter for gratification that a good part of the export in Karachi has been captured by Indian export houses. The developments during the past year promise a bright future for India's export trade in wheat, and it seems that very shortly India will have to be counted as a prominent exporter in the international wheat trade.

The following table shows the output of wheat in the principal producing countries of the world:—

PRODUCTION OF WHEAT

(In Quintals ooo's omitted)

Countries	1925-29	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
British India	87,213	94,553	91,668	95,914	95,204	98,851	95,772
U. S. A.	223,855	253,713	202,508	143,966	143,263	170.466	170.498
Canada	117,220	87,452	120,583	76,720	75,075	76,731	62,384
Argentine	66,142	59,792	65,560	77,870	65,500	38,380	67,450
Australia	37,015	51,877	58,222	48,264	36,305	38,809	40,709
U. S. S. R.	215,240	205,000	202,500	277,300	304,100	308,300	...
France	79,295	71,882	90,771	98,611	92,129	77,552	68,979
Germany	32,595	42,333	50,031	56,043	45.327	46.672	44,269
Roumania	28,721	36,823	15,115	32,406	20,835	26,247	35.031
Europe ... ... (Excluding U. S. S. R.)	386,677	419,469	424,191	501,698	448,567	454,266	441,069
Asia . ... (Excluding U. S. S. R.)	115,820	127,100	118,330	128,980	123,660	131,880	125,100
World ... ... (Excluding U. S. S. R.)	997,500	1,054,100	1,049,300	1,040,200	953,200	969,600	959,900

It will be seen from the above table that Canada and United States of America have considerably restricted their production in the world depression period. The large accumulation of stocks in Canada was responsible for the unprecedentedly low level touched by wheat prices during the depression years. The disposal of the large surplus of stocks was a problem ; and for this purpose the Canadian Government created a Grain Marketing Board, which was entrusted with wide powers to regulate the

production and marketing of the surplus stocks. Canada, the Argentine and Australia figure as the prominent exporters of wheat. It is remarkable that Russia has enormously increased her production in the past few years.

The production of wheat in India has been on the increase of late. The total production of wheat in 1936-37 was estimated by the Government at 98 lakhs tons, as compared with 94 lakhs tons and 97 lakhs tons in the two preceding years. The Punjab is the prominent producer among the various provinces, her share amounting to nearly 40 per cent. of the total production. The United Provinces are a good second, her share amounting to about 25 per cent. The following table gives the area and the output of wheat in the various provinces:—

	Area in thousand acres.					Yield in thousand tons.				
Provinces and States	1932-33	1933-34	1934-35	1935-36	1936-37	1932-33	1933-34	1934-35	1935-36	1936-37
Punjab (a) ...	9,927	11,292	10,488	10,711	10,858	8,255	3,253	8,498	8,496	8,860
United Provinces (a)	7,789	8,580	7,671	7'175	7,611	2,744	2,572	2,554	2,529	2,567
Central Provinces and Berar (a) ...	8,558	8,541	8,717	8,465	8,215	670	785	780	651	612
Bombay (b) ...	8,161	8,744	3,880	8,316	3,097	782	844	711	750	742
Bihar and Orissa ...	1,285	1,222	1,197	1,145	1,182	492	476	505	417	486
N.W.F. Province ...	1,012	1,041	997	1,029	1,105	237	289	288	258	287
Bengal ...	145	145	155	127	149	41	41	51	38	46
Delhi ...	42	46	40	38	39	11	18	13	12	16
Ajmer Merwara ...	22	29	30	28	19	6	7	9	9	6
Central India ...	2,068	2,082	2,319	2,076	1,912	340	407	419	360	340
Gwalior ...	1,394	1,507	1,646	1,631	1,423	319	302	394	348	334
Rajputana ...	1,268	1,488	1,520	1,575	1,281	355	358	383	389	342
Hyderabad ...	1,801	1,201	1,259	1,247	1,308	168	149	156	140	200
Baroda ...	74	72	74	78	76	31	17	17	28	20
Mysore ...	3	2	2	2	2	1	...		...	...
Total ...	32,992	35,992	34,490	33,639	33,222	9,452	9,414	9,728	9,420	9,808

(*a*) Includes Indian States. (*b*) Includes Sind and Indian States.

TOBACCO

Before the sixteenth century the tobacco plant was practically unknown in India and the Portuguese are credited with having conveyed the plant in 1508. The use of tobacco spread within the space of a century, and by the year 1617 smoking became so general that the Emperor Jehangir, so the story goes, had to prohibit the practice. But it must be admitted that a century and a half ago tobacco was an article of comparative unimportance, as smoking was forbidden by religion to the majority of people. The advent of European civilization has, however, gradually reversed the position, and today smoking has become the fashion of the time and cigarette an indispensable item for society. A large number of the Indian population also use tobacco for chewing and in the form of snuff.

Two main species of tobacco are cultivated in India *viz. Nicotiana tabacum* and *Nicotiana rustica,* of which the former is more common. Next to the United States of America, India is the largest producer of tobacco in the world, the annual area under the crop exceeding 1.4 million acres. The tobacco plant is grown in practically every district in India, but the important zones lie in Bengal, Madras, Bihar, Orissa, Bombay and Burma. The *Bhengi, Naokhol* and *Hingli* varieties are commonly cultivated in Bengal, Bihar and Orissa and the Bilaite or Motihari variety of *N. rustica* to a lesser extent. Guntur is the most important tobacco-growing centre in Madras, while Sivapuri of South Arcot and Meenampalayam of Coimbatore are famous for their aroma and are mainly used for chewing.

The Burmese tobacco is largely used for the manufacture of cheroots.

The following table gives the area under tobacco in the various provinces of India:—

(In thousand acres)

	Pre-war Average	1919-20	1933-34	1934-35	1935-36
Madras	205	228	248	292	280
Bombay*	92	107	144	185	168
Bengal	318	342	286	308	307
United Provinces ...	87	82	82	102	84
Punjab	59	54	48	88	78
Bihar and Orissa ...	113	120	140	133	140
Burma	90	126	103	106	104
C. P. and Berar ...	28	23	13	15	14
Assam	8	10	14	13	12
N. W. F. P. ...	8	8	6	14	17
Delhi	1	1	1	1	1
Hyderabad ...	...	116	71	74	72
Mysore	14	20	25	23	23
Baroda	...	24	44	59	55
Other States ...	34	35	41	48	2†
Total ...	1,057	1,296	1,266	1,461	1,357†

*Including Sind. †Figures incomplete.

Although the cultivation is extensive, the quality of Indian tobacco is generally said to be inferior to that of foreign growths ; and this has prevented India from getting a proportional share in the international trade in the commodity. Efforts have been made by the Imperial Institute of Agriculture, Pusa, to grow the high grade American varieties of Adcock and White Burley, but without much success so far. So, the main problem of tobacco improvement at present is the production of a quality tobacco for the pipe and to meet the requirements of cigarette factories in India and so to replace the present large imports of Virginian leaf.

Tobacco is a money crop to the cultivator and is generally harvested between January and April. The cultivation of high grade varieties would prove very profitable as will be seen from the following estimates of the Pusa Institute for growing one acre of Adcock tobacco:—

First grade leaf sold at As. 9 per lbs. 513 lbs.	287	15
Second grade sold at As. 6 per lb. 349 lbs.	130	14
862 lbs. gross return ...	418	13
Less cost of cultivation Rs. 80 ; plus cost of flue-curing 862 lbs. at As. 2 per lb. Rs. 110	190	
Net profit per acre	228	13

To this, a sum of Rs. 20 realized from the sale of tobacco leaf stalks may be added as additional profit.

The bulk of the tobacco grown in India is consumed locally. There is, however, a good export trade in the commodity as will be seen from the following table:—

(In thousand lbs.)

	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Unmanufactured:—						
United Kingdom	10,558	10,626	13,299	11,702	13,298	21,128
Aden and Dependencies	4,195	4,427	5,898	7,315	8,336	7,182
Straits Settlements	3,958	1,555	1,167	1,072	1,113	...
F. M. S.	1,166	736	512	677	766	792
Netherlands	1,166	945	3,512	1,231	1,121	1,848
Japan	3,176	3,699	3,313	5,628	3,000	2,317
Other Countries	1,257	3,439	2,005	1,123	892	9,698
Total	25,972	25,427	29,206	28,748	28,526	42,460
Manufactured:—						
Cigars	281	118	64	73	60	88
Cigarettes	298	318	258	329	372	2,477
Other sorts	...	.	...	454	347	7,108

The low quality of Indian tobacco has necessitated imports of high grade tobacco from U. S. A. and other foreign countries. In 1936-37, for instance, imports of manu-

factured tobacco into India amounted to about Rs. 45 lakhs, while those of cigars, cigarettes and other manufactured tobacco amounted to about Rs. 36 lakhs. Since 1930-31, there has been a big fall in imports of manufactured tobacco. This was due to various factors such as the boycott of foreign goods, the development of an Indian tobacco industry and the establishment of cigarette manufacturing factories within the country by foreign manufacturers. The following table gives the imports of tobacco into India:—

(In thousand lbs.)

		1929-30	1931-32	1933-34	1935-36	1936-37	1937-38
Unmanufactured	...	4,552	2,845	4,187	1,921	3,283	6,598
Manufactured:							
Cigars	...	40	21	17	13	14	191
Cigarettes	...	5,283	1,436	593	831	919	993
Tobacco for pipes and cigarettes	...	223	129	50	51	58	51
Other sorts	...	33	46	47	43	33	57
Total	...	10,131	4,477	4,894	2,859	4,307	7,889

Imports of foreign tobacco into India are liable to the following duties:—Tobacco, manufactured, not otherwise specified Rs. 3-12 per lb.; Cigars 112½ per cent. *ad valorem*; Cigarettes, 25 per cent. *ad valorem* and addition either Rs. 8-12 per thousand or Rs. 3-4 per lb., whichever is higher; Tobacco, unmanufactured Rs. 3-4 per lb., preferential rate Rs. 2-12 per lb. Tobacco leaf for the manufacture of cigars, when proved to have been imported for use in a cigar factory, is liable to duty at Rs. 2 per lb. (standard) and Rs. 1-8 per lb. (preferential).

COFFEE

The growing of the coffee plant is entirely confined to Southern India the important zones of cultivation being the States of Mysore, Travancore and Cochin, Coorg and certain tracts in the Madras Presidency. The Coffee industry provides employment to more than 100,000 persons on the average. In 1935-36 the number of plantations amounted to 6,823, covering a total area of 335,115 acres. Of these, 3,122 were smaller plantations between five to ten acres, covering a total area of 20,909 acres. Mysore alone accounted for 55 per cent. of the total acreage, Madras 23 per cent., Coorg 21 per cent. and Cochin and Travancore together 1 per cent. But the area actually under coffee in the above reporting plantations in 1935-36 was 188,035 acres as compared with 185,581 acres in the preceding year. The total reported production of cured coffee in 1935-36 amounted to about 41 million lbs., as compared with 32.8 million lbs. in the preceding year. The yield per acre of plucked area varies widely in the various parts from year to year. It was 333 lbs. (126 lbs.) in Cochin, 318 lbs. (201 lbs.) in Madras, 278 lbs. (241 lbs.) in Coorg, 251 lbs. (167 lbs.) in Travancore and 192 lbs. (187 lbs.) in Mysore in 1935-36, the figures in parenthesis being the preceding year's

Coffee is generally sown and transplanted in the rainy season and the harvesting is done between October and January. During the past decade and a half the acreage and production of coffee in India have increased by nearly 48 per cent. and 90 per cent. respectively. Whereas the average acreage and production for the quinquennium ended 1923-24 was 126,802 acres and 21,774,290 lbs. respectively, the acreage in 1935-36 was 188,035 acres and the production 41,162,079 lbs. The following table gives the area and production of coffee in 1935-36:—

		Area in Acres	Production of Cured Coffee in Pounds.
Mysore	...	103,003	16,987,374
Madras	...	43,276	12,867,257
Coorg	...	38,721	10,476,802
Cochin	...	2,006	639,432
Travancore	...	1,029	191,214
Total	...	188,035	41,162,079

India occupies only an insignificant place among the world coffee-producing countries. Brazil, in this respect, is acknowledged to be by far the largest producer of coffee in the world. In recent years, the disposal of her increasing production of coffee has been a great problem to Brazil and a big percentage of her total production has been destroyed every year in order to keep up the prices. A recent Press message states that the growers have decided to destroy thirty per cent.

of the 1937-38 crop in order to keep up the price to six pence a pound in the United States. Millions of bags of coffee have been burnt and dumped into the ocean or made into bricks. Even an offer of the German Government to purchase all the surplus coffee is said to have been rejected. The following table gives the world production of coffee for the past four years:—

(In thousand quintals)

		1933-34	1934-35	1935-36	1936-37
Brazil	...	17,766	16,525	10,515	18,024
Colombia	...	2,304	2,101	2,518	2,235
Africa	...	970	1,100	1,130	1,200
Caribbean	...	2,540	2,550	3,100	3,190
Venezuela	...	481	568	636	716
Neth. Indies	...	1,064	1,130	1,109	...
India	...	157	149	...	...
WORLD*	...	25,760	24,700	19,710	22,100

* Estimate.

The fall in the price of coffee during the depression period owing to the enormous production has victimised the Indian planter too. It was all the more severe in the case of India, for, almost the entire production has to find a market outside India as the internal consumption in the country is inelastic and confined to the South Indian population only. The plight of the planters, therefore, naturally drove them to seek Government help and the result was the passing of the Indian Coffee Cess Act, 1935. The Act provided for the creation of a fund to be expended by a Committee specially constituted for the promotion of the cultivation, manufacture and sale of Indian Coffee. The Act extends to the whole of British India except Burma and provides for the levy of a custom duty on all coffee produced in India and exported therefrom to any place beyond the limits of British India or to Burma at the rate of one rupee per cwt., or such lower rate as the Governor-General in Council may, on the recommendation of the Coffee Cess Committee lay down. The rate of cess now leviable is 8 annas per cwt.

As an article of export, the position of coffee is by no means insignificant, inasmuch as our annual exports of coffee amounts to wellnigh a crore of rupees. Nearly half of the total production is exported to foreign countries, of which France stands out as our biggest customer. The following table gives the quantity of coffee exported from India for the last three years:—

Exported to	1934-35	1935-36	1936-37	1937-38
United Kingdom	36,005	73,071	84,996	29,041
Norway ...	15,893	19,721	33,962	27,526
France ...	52,995	82,805	86,745	42,306
Germany ...	6,635	10,059	7,196	2,265
Neitherlands ...	1,376	1,456	5,689	1,056
Belgium ...	8,137	12,677	19,997	6,787
Italy ...	5,951	6,539	3,089	819
Iraq ...	2,035	1,456	7,511	8,954
Australia ...	5,996	5,862	6,060	3,708
Other Countries	6,442	5,306	5,387	12,680
Total ...	140,963	215,951	210,621	135,142

RUBBER

Unlike other agricultural commodities, Rubber can claim only a short history. Half a century ago rubber was unknown to the European countries. In the decade prior to the Great War, rubber was a semi-precious commodity which was quoting even as high as 12s. 9d. per pound and was never below 2s. per lb. The plantation industry was just then born and the output of plantation rubber in 1904 was not more than 50 tons. Today, it occupies a pre-eminent position as a commodity of international importance used in a wide range of industries all over the world. The annual production and consumption of rubber at present exceeds a million lbs. But even in the short period of its history rubber has had a romantic career. Booms and slumps in rubber, alternating frequently have made and unmade many a fortune ; and the panic created in the world by the last unprecedented crash towards the end of 1931, when sellers in Mincing Lane were praying for the appearance of a buyer at below 2d. per lb. is still fresh in our memory.

The principal countries cultivating rubber, in the order of their importance, are British Malaya, the Netherlands East Indies, Ceylon, Siam, Sarawak, Indo-China, North Borneo South America, India, Burma, Africa, the Philippines, and Oceania. Of these, Malaya and the Netherlands East Indies alone together produce about 85 per cent. of the world's annual output. Ceylon occupies the place of a poor third.

The production of rubber since 1934 is regulated in most of the above countries by the International Rubber Regulation Committee, by fixing up quotas of the exportable quantity for each country. The quota for 1937 was raised from 75 per cent. in January to 90 per cent. of the standard production in July.

The general recession or business condi-

tions throughout the world, particularly in America, starting from the first gold scare in April 1937 caused a steep decline in commodity prices; and in common with others, the rubber market experienced a debacle. In the course of one year, the price of rubber in London declined from 1s. 2d. to below 6d. per lb. in the London market. It must be noted that this decline has been in spite of the drastic reductions in the quota by the International Rubber Regulation Committee from 90 per cent. to 45 per cent. in the third quarter of 1938.

Another important event in 1938 has been the renewal for another five years of the International Rubber production regulation scheme, which was due to expire on December 31, 1938. According to the new agreement, an increase in the standard quota was effected in the case of all countries. The basic quotas proposed for the respective countries (in tons) as compared with the figures for the current year are as follows:—

	1938	1939	1940	1941	1942	1943
Malay	602,000	632,000	642,500	648,000	651,000	651,500
N. E. I.	540,000	631,000	540,000	645,500	650,000	651,000
Ceylon	82,500	98,000	99,500	101,000	101,500	102,000
India	13,000	17,500	17,750	17,750	17,750	17,750
Burma	9,250	12,000	12,250	12,250	12,250	12,250
N. Broneo	16,500	19,000	19,250	19,250	19,250	19,750
Sarawak	32,000	39,000	39,500	40,000	40,000	40,000

It will be found from the above that India and Burma are only minor producers of rubber compared with other countries. Rubber planting in India is confined to the Southern India only, and with the floatation of a number of rubber companies last year, a persistent agitation was carried on to increase the standard allotment to India. The International Committee has to a certain extent remedied the unfair treatment that had been meted out to India during the currency of the first Rubber Agreement. The increase of 4,500 tons in the quota works out at 34.62 per cent. over this year's figure.

The total area under rubber in 1935 amounted to 228,800 acres, while the production was estimated at about 48 million lbs. The average yield per acre varies every year according to the conditions of the trees. For instance, the yield per acre in 1935 was as high as 213 lbs., while in 1932 and 1933 it was only 36 lbs. and 58 lbs. respectively.

The following table gives the acreage and yield of rubber in India and Burma in 1935:—

		Area in Acres	Yeild of Dry Rubber in lbs
Burma	...	106,200	20,991,300
Coorg	...	3,330	273,800
Mysore	...	600	...
Madras	...	12,400	2,113,700
Cochin	...	9,500	2,228,600
Travancore	...	96,800	22,937,600
Total	...	228,800	48,545,000

India's production of rubber, however meagre it may be compared with the output of other countries does not call for any large increase, considering the state of the international rubber market. But with the development of Indian economy, there is no doubt that India's consumption of rubber would and should show a steep increase.

LINSEED

Linseed first gained the attention of the lay public when it came in for frequent reference in the discussions on the value or otherwise of the Ottawa Pact. But as an item in India's export trade, its importance was never negligible. Though its production was originally undertaken in India solely for the foreign market, a considerable internal consumption has developed during these years. This together with a value of between one to five crores in our export has increased the importance of linseed. And latterly, the preference granted to Indian linseed in the British market and the increase in India's export during 1933-34 have given for it an important place in the discussion on the Ottawa Pact. In regard to linseed, India does not, as in the case of rice or cotton, enjoy an important position as a producer. But she is a factor to reckon with in the export markets, inasmuch as the United

States, which is one of the principal producers of linseed, does not figure as an exporter and utilises almost her entire production in internal consumption. Thus, Argentina and India are left in a straight fight in the export markets and their fortunes have undergone some vicissitudes.

It will be useful first to know the relative importance of the chief producers of linseed and the following table furnishes the necessary figures:—

(In Quintals : ooo's omitted)

	1933-34	1934-35	1935-36	1936-37
British India	4,125	3,821	4,267	3,902
Argentina	15,900	20,250	14,250	18,500
U. S. S. R.	7,800	6,900	7,400	...
U. S. A.	1,754	1,488	3,680	1.500
Asia	4,300	4,160	4,580	4,321
Canada	168	242	432	460
S. America	16,640	21,130	15,030	19 764
World	31,700	*35,600	33,500	*28,700

* Excluding U. S. S. R.

It will be seen that Argentina produces more than half the total world output of linseed and the importance of India in the export markets is derived from the fact that Indian linseed is superior in its oil-content; and it must be added that the higher price resulting from this quality sometimes acts as an obstacle to an increase in the demand.

The distribution of areage under linseed in India may be seen from the following table which gives the figures for the last four seasons:—

(Area in thousand acres)

	1934-35	1935-36	1936-37	1937-38
C. P. & Berar ...	1.125	1,261	1,312	1,373
United Provinces ...	862	845	908	948
Bihar and Orissa ...	599	549	559	595
Bombay (a) ...	134	119	129	113
Bengal ...	126	98	131	137
Punjab ...	26	28	31	30
Hyderabad ...	399	416	468	471
Kotah (Rajputana)	92	94	94	107
Bhopal ...	47	47	45	65
Total	3,410	3,457	3,677	3,839

(a) including Indian States.

The table shows at a glance that the Central Provinces and Berar occupy the pre-eminent position among the provinces of India as a producer of linseed and excepting United Provinces, Bihar and other provinces are responsible only for very inconsiderable quantities. Though the United provinces occupies the second place as far as the extent of sowings are concerned it leads in respect of the total yield.

From the point of view of outturn per acre, Bengal holds the first place, her yield per acre amounting to 441 lbs. in 1937-38. The outturn per acre in the United Provinces and Bihar compare favourably with Bengal at 371 lbs. and 332 lbs. respectively, while that of Central Provinces, which has the largest area was only 181 lbs. per acre. The following table gives the yield per acre in the various provinces and also the total yield for the past two seasons:—

Provinces and States	Yield (1,000 tons) 1936 37	Yield (1,000 tons) 1937-38	Yield per acre (lbs.) 1936-37	Yield per acre (lbs.) 1937-38
Central Provinces and Berar (a) ...	92	111	157	181
United Provinces ...	148	157	365	371
Bihar and Orissa ...	85	87	342	332
Bombay (a) ...	10	10	174	198
Bengal ...	23	27	393	441
Punjab ...	3	3	217	224
Hyderabad ..	44	41	211	195
Kotah (Rajputana) ...	10	13	238	272
Bhopal ...	5	7	249	241
Total .	420	457	256	271

(a) Including Indian States

Linseed may be said to furnish one of the numerous examples of India's incapacity to take full advantage of an expanding world market. In the pre-war period the total world export trade in linseed amounted to 1.4 million tons, of which Argentina exported 676,000 and only 367,000 tons fell to the share of India. Since then, the world exports of linseed have increased by 50 per cent. but Argentina captured the entire increase, and in 1931 India had only 5 per cent., of the total trade., which still further decreased in the following year, against 85 per cent. of Argentina. But latterly, during the last four years, India's share has increased. The apparent decrease in Argentina's share, it must be said, is due largely to the failure of the linseed crop in that country for three seasons successively from 1932-33. And, one cannot, therefore be certain that India has acquired an increase in competitive capacity. Though India's export of linseed last year amounted to more than 296,000 tons, it is believed to be only due to the unusually large demand and the low world stocks. The distribution of India's exports of linseed among her principal foreign customers may be seen from the following table:—

EXPORT OF LINSEED

Name of Countries		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
U. Kingdom ...	...	14,033	14,270	176,425	103,784	90,144	217,666	169,585
Germany ...	...	9,844	9,480	10,316	5,421	8,410	18,904	7,429
France ..	...	33,733	21,611	42,603	13,714	7,580	7,566	6,293
Italy ...	...	14,619	10,578	21,690	10,118	6.696	750	1,223
Australia ...	...	10,038	9,415	11.958	21,442	9,730	18,282	22,144
Other countries	...	38,011	6,796	114,836	83,886	41,183	37,866	29,427
Total		120,288	72,190	378,868	238,365	164,743	296,034	226,031

Linseed suffered from the trade depression equally with other export commodities. The total value of India's exports of linseed came down from Rs. 572 lakhs in 1929-30 to Rs. 91 lakhs in 1932-33. But in the year 1933-34, India's exports rose to Rs. 458 lakhs. As will be seen from the above table, by far the largest increase has been in the case of Great Britain. It will be remembered that under the Ottawa Pact, Britain accorded a preference of 10 per cent. to Indian linseed. And those who plead for the continuance of the Ottawa Pact or at least seek to establish its benefits to India in the past content that but for this fact the advantage of such a marked increase in the value of our linseed exports would not have otherwise accrued to India. But it is significant in this context that not only Great Britain but nearly all her foreign customers increased their off-take of Indian linseed, and that, in the face of this alround increase, it would be unscientific to set it down to the credit of Ottawa. The increase in India's exports of linseed must, therefore, be set down more to the failure of the Argentine crop and the great shortage of supplies in the world than to the effect of the 10 per cent. preference in the British market.

It is gratifying to note that with the increase in the production of linseed there has been a gradual expansion in the internal consumption of the commodity. This is borne out by the fact that India has gradually increased her export of linseed cake and linseed oil during the past few years. The following table gives the value of India's export of linseed cakes during the past three years:—

EXPORTS OF LINSEED CAKES

Volume in Tons.

Name of countries	1935-36	1936-37	1937-38
U. Kingdom	69,419	47,092	43,939
Netherland	1,350	1,699	596
Belgium	826	543	...
Egypt	...	...	2,035
Other countries	179	860	443
Total	71,774	50,194	47,003

Value in Thousand Rs.

Name of countries		1935-36	1936-37	1937-38
U. Kingdom	..	4,247	3,228	3,021
Netherlands	..	79	124	36
Belgium	.	59	40	34
Egypt	..	...	...	...
Other countries	..	13	60	151
Total		43,94	3,451	3,241

The following table gives the quantity and value of Linseed oil exported from India during the last three years.

(000's omitted)

		1935-36		1936-37		1937-38	
		Gals.	Rs.	Gals.	Rs.	Gals.	Rs.
Ceylon	...	15	24	17	26	15	25
Burma	...	...	...	...	...	105	191
Straits Settlements		35	56	39	63	43	76
Other Countries...		27	46	79	138	104	144
Total		78	127	135	228	266	435

The outstanding event of the year has been the publication of the Report of the marketing survey conducted by the Agricultural Marketing Adviser to the Government of India. Out of the Annual value of the crop, Rs. 5 crores, the cultivator gets only 10 annas in the rupee, according to the report. The disadvantages that the cultivator suffers from are all due, in the end, to the disorganised state of marketing conditions, which is discussed in detail in the Report. Among the more important blemishes in the trade, the objectionable practices such as the deliberate addition dirt are said to have hampered the export trade. The crude classification of the seed and the absence of a standard contract for the whole of India are, likewise, great handicaps to the trade. Arbitrary standard of contracts have retarded the growth of sound commercial practices. Damage by water due to defective storage is estimated to account for an annual loss of Rs. 5 lakhs. Sowings of mixed crop, adulteration of oil, the lack of standardisation of weights and measures and the numerous market charges, as reported in the Survey, are general complaints in the case of all commodities in India. Among the remedies suggested are better storage facilities,

economy in the machinery of distribution, the control of harvest time depression, standardisation of quality, establishment of regulated markets and provincial legislation defining market areas, licensing operators and registration of charges. A rather striking suggestion contained in the report is the need for encouraging the *Ghani*, the village oil mill. Compilation of regular satistics for the trade is also urged. There can be no doubt that there is ample scope for improving the return to the growers and to the country at large by expanding and rationalising the export trade ; but this is true of almost all commodities in this country. What is required is a clear-cut national agricultural policy initiated by the Central Government ; and half-hearted measures or piece-meal reforms could produce but poor results.

GROUNDNUT

Although India occupies the first place among the producers of groundnuts in the world, the cultivation of the crop on a commercial scale began only about three decades ago. The appearance of the Indian groundnut in Europe dates from about 1840, but then it failed to receive any great attention from European consumers. Till the beginning of the present century India's export of groundnuts was insignificant, amounting to about 1,500 tons per year on an average or a little more than 1 per cent. of the aggregate imports into France. In 1895-96 the area under the crop in Madras and Bombay was 243,000 and 164,000 acres respectively. The demand for Indian groundnuts in Europe was very small until the successful cultivation of the disease-resisting seeds with higher oil contents introduced from Sengeal and Mozambique, in the first decade of this century ; and this marked a new era for Indian groundnuts. The cultivation and export of Indian nuts increased at a rapid pace since then and in 1913-14, the total acreage exceeded 2,000,000 and the exports amounted to about 277,900 tons.

There are two main types of groundnuts, viz. the spreading type known commercially as the Coromandel, Mauritius or the Mosambique and the bunch or erect type known as Peantut or Khandesh. Nearly 86% of the total area under groundnuts in the Madras Presidency is usually Coromandel nuts and this forms the bulk (94 per cent.) of the exports.

In 1937, the Director of Agriculture, Madras, carried out a marketing survey of groundnuts, in which many suggestion for improvement were made. The marketing season for the main or winter crop commences generally from the end of October. In Southern and Central Districts the crop comes to market by December-January and nearly 75 per cent. of the produce passes to wholesalers by the end of April-May. The marketing season in Pollachi commences earlier in August.

The channels of marketing are more or less the same as in the case of other commodities in India. The wholesale merchants have a number of small dealers or village merchants for purchase of groundnuts from the ryot on a commission basis, which is usually 9 pies to 1 anna per bag of 80 to 90 lbs. Some village merchants buy and sell on their own account, as also a few landlords. Generally, ryots sell the produce in unshelled form either *Kacha* or *pucca*.

The wholesale merchants own decorticating factories of which there are about 550 in the Madras Presidency. Shelling is done mostly by the decorticators driven by steam, oil or electric motor. Handshelling is common only in parts of South and North Arcots and Ramnad. Machined groundnuts usually fetches a premium of 3 to 6 pies per candy (531 lbs.) over hand shelled. The wholesale merchants sell the kernels to exporting firms, who have sub-agents at almost all important producing centres. The sales are on written contracts on the basis of standard quality.

It is curious that as in the case of other commodities, there is no "futures" market in Madras, though it is the biggest producing province. Damping the seed, improper storage and mixing of clay or dusts are the main malpractices in the trade which hampers the reputation of Indian groundnuts in the export markets. Regulated markets, standardisation of quality and weights, licensing middlemen and encouraging co-operative Associations of growers are some of the suggestions put forth in the Survey for the improvement of the trade.

To-day India accounts for about half of the total world production. In 1935-36, the total production in India amounted to about 22,900 quintals, out of the world production of 54,000 quintals. From the following table, giving the world production of groundnuts, it will be seen that, though it is an

important commercial crop, it is not cultivated on a commercial scale outside India, except to some extent in French West Africa.

(In thousand quintals of unshelled nuts)

Countries.	1925-26	1932-33	1933-34	1934-35	1935-36
India ...	19,000	32,200	33,834	19,142	22,942
United States ...	3,168	4,723	4,389	5,094	5,909
French West Africa	5,800	6,900	7,700	7,000	8,000
Nigeria* ...	1,847	2,731	2,970	3,555	2,671
China* ...	4,192	3,708	2,799	2,977	4,285
Java & Madura ...	1,938	2,309	2,299	2,136	2,053
World ...	46,000	59,100	61,300	47,400	53,900

*Exports.

More than half of the total production of groundnuts in India is confined to the Southern Presidency. In 1937-38, according to the final forecast of the Government, out of the total acreage of 8,652,000, Madras Presidency alone has sown about 8,652,000 acres, while the area in Bombay amounted to about 2,236,000 acres. The following table shows the acreage, total yield and yield per acre of groundnuts in the various provinces of India the figures for 1937-38 excluding Burma:—

Provinces and States	Area in 1,000 Acres			Yield in 1,000 tons (of nuts in shell)			Yield per Acre (lbs.)		
	1935-36	1936-37	1937-38	1935-36	1936-37	1934-35	1935-36	1936-37	1937-38
Madras	2,520	3,495	4,565	1,202	1,657	1,902	1,068	1,062	933
Bombay*	1,297	1,867	2,236	562	659	809	971	791	810
Burma	660	729	...	144	142	...	489	436	...
C. P. & Berar	134	149	215	35	46	55	585	692	573
Hyderabad	1,059	954	1,433	287	316	476	607	742	741
Mysore	187	198	198	28	36	37	335	407	419
Total	5,857	6,663	8,652	2,258	2,714	3,279	864	915	849

*Including Indian States

The greater portion of our production is consumed in India and only a fourth of the crop is exported from British India. France is the most important customer for Indian groundnuts. The Netherlands, Germany, Italy and the United Kingdom are other important customers. The French port, Pondicherry, is also exporting large quantities of groundnuts from India and if these were included in the statistics, our exports to France would make a better showing. The following table gives the total exports of groundnuts from British India for the official year, 1937-38, together with previous comparisons:—

Countries	*(Quantity in 1,000 Tons)*					*(Value in lakhs of Rupees)*				
	1933-34	1934-35	1935-36	1936-37	1937-38	1933-34	1934-35	1935-36	1936-37	1937-38
U. K. ...	53	134	62	135	91	67	170	100	221	133
France ...	188	99	141	173	85	233	117	229	287	126
Netherlands	101	115	95	175	71	122	127	154	290	110
Germany	97	65	71	110	115	118	73	112	181	163
Italy ...	72	54	18	76	119	84	59	30	131	169
Belgium	13	14	9	39	43	14	15	14	65	60
Other Countries	22	29	16	31	93	26	32.	25	54	132
Total	547	511	413	739	617	6,63	5,93	6,65	12,29	8,93

In pre-war years and the years following the termination of the Great War, the predominance of France in the groundnut trade was very marked ; but in recent years conditions have changed, other countries like Netherlands, Germany and Italy taking a fair share in our exports. During the War the trade suffered a severe set-back owing to the dislocation of the labour market in Marseilles and the closing down of several French mills and in 1918-19 our exports totalled only 17,000 tons. A rapid improvement followed in the post-war period, until the peak was reached in 1929-30, when our

The trade in groundnut cake has also developed alongside the growth of cultivation of the crop and the bulk of the cake exported is absorbed by the United Kingdom. total exports amounted to about 714,000 tons. The last world trade depression caused a severe contraction in our exports and in 1935-36 the lowest level was touched, our exports totalling to about 413,000 tons. A sharp increase in our exports resulted last year, groundnuts also shared the boom in the commodity markets. The increase in our exports last year was very marked both in volume and value. But, though the volume has exceeded the 1929-30 level at 739,000 tons, the total value was about Rs. 4 crores behind. In India, the greater part of the cake output is used as fodder and mannure. The following table gives the quantity and value of our exports of groundnut cakes:—

	(Quantity in 1,000 tons)					*(Value in Lakhs of Rupees)*				
Countries	1933-34	1934-35	1935-36	1936-37	1937-38	1933-34	1934-35	1935-36	1936-37	1937-38
U. K. ...	110	171	148	154	131	56	90	87	109	96
Germany	25	32	15	36	59	15	20	9	26	40
Netherlands	27	11	6	15	14	20	7	4	9	9
Belgium	11	21	16	19	16	8	14	11	12	11
Ceylon ...	10	9	6	8	8	6	6	4	4	7
Other Countries	6	16	3	6	14	3	7	2	4	12
Total	190	226	194	238	2,52	1,08	1,44	1,16	1,64	175

SESAMUM

Sesamum is one of the most important oilseeds grown in India and it ranks next to groundnuts in respect of acreage sown. While being an article of large consumption within the country, it occupies an important place in our export trade in oilseeds.

It is mainly a *kharif* (autumn) crop generally sown between May and July and harvested from October to December. A *rabi* or summer variety is also grown in certain tracts. This is sown in January and February and harvested between May and July. The crop is raised in almost all provinces in India, but the more important zones lie in Burma, Madras, Bombay and Central Provinces. There are five well-known varieties grown, *viz*. White, Black, Mixed, Yellow and Red. The White quality is superior to all others as it contains the highest percentage of oil.

The acreage under sesamum does not show any appreciable change from year to year. The peak year in recent years was in 1932-33 when the total area under the crop was estimated at 6,256,000 acres, yielding 551,000 tons. The average for the quinquennium, 1895-96 to 1899-1900, was 4,019,000 acres and 348,000 tons, which rose to 5,122,000 acres and 467,000 tons in the post-war quinquennium, 1920-21 to 1924-25. The following table gives the total acreage and outturn of the crop in the various provinces during the 1936-37 season:—

Provinces and States	(000's omitted) Area (acres)	Yield (tons)
United Provinces	1,823	115
Madras	546	66
Bombay*	544	76
C. P. & Berar	488	40
Bengal	210	46
Bihar	114	17
Punjab	95	8
Orissa	112	13
Sind*	38	2
Ajmer-Merwara	30	1
Hyderabad	548	41
Bhopal	81	7
Baroda	53	2
Kotah	35	4
Total ...	4,217	438

* Including Indian States.

The export trade in sesamum has been gradually dwindling since the War. During the pre-war period more than 25 per cent. of the total production of sesamum in India was shipped to foreign countries, but the percentage has fallen to an insignificant level in 1930-31. Since then, although there has been a recovery, the former level would, perhaps, never be reached, for sesamum has been displaced in the world markets by other vegetable oils such as groundnut and coconut. The most significant feature in our export trade during the past several years is the loss of our foreign markets. While in the pre-war period France, Belgium, Austria and Italy have been our important customers, our trade with these countries has now been entirely lost. The distribution of our ex-

ports of sesamum is shown in the following table:—

(In hundreds of tons)

	Averages Pre-War	War	Post-War	1936-37	1937-38
France	43.1	15.7	7.6		
Italy	13.0	4.1	8.7		
Belgium	26.2	1.1	2.1		
Austria	20.2	8	8		
Ceylon				1.7	2.0
Arabia				6	0.5
Other countries	16.8	10.9	8.4	11.9	7.3
Total	119.3	32.6	27.6	14.2	10.1*

* Include 4.6 to Burma

Our foreign customers in sesamum have been constantly changing. Towards the close of the last century. France was the principal buyer, but during the pre-war period Belgium and Austria-Hungary shared more or less equally with France. Italy and U. S. A. emerged as the chief buyers in the immediate post-war years and to-day we have not a single foreign customer, so to speak.

It is, however, satisfactory to note that, although our exports of sesamum seeds have declined since the war, there has been a progressive improvement in our export of sesamum oil as will be seen from the following table:—

Exports of Sesamum (*til* or *jinjili*) oil
(In gallons)

1926-27	61,971
1927-28	98,596
1929-30	160,588
1931-32	95,642
1933-34	104,101
1935-36	150,025
1936-37	281,449
1937-38	251,827

COTTON SEED

By virtue of her position as the second largest producer of raw cotton, India has a large annual production of cottonseed. But the bulk of the commodity is consumed within the country as an important cattle food and only a small percentage is exported to foreign countries.

Indian cotton seed is inferior in quality to most foreign growths. Whereas the Egyptian and Russian cottonseeds contain 23 per cent. and 20 per cent. of oil, the percentage of oil content in the Indian variety is only about 18½ per cent. There are five important varities of Indian cottonseed *viz.* Bombay, American, Delhi-Cawnpore, Comilla and Rangoon. Of these only the first two are considered to be of superior quality. Bombay is the main port of cotton seed export. Russia and Egypt are the chief competitors of India in the United Kingdom market.

Till the beginning of the present century there was practically no export trade in this commodity. In 1900, the scarcity of other vegetable oils led to inquiry from United Kingdom for Indian cotton seed and since then the export of the seed increased gradually every year, until it reached about 153,000 tons. The depression years saw a precipitous fall in our exports of cotton seed, which fell out of all proportion to 2,389 tons in 1932-33. Since then, our export trade has not recovered. Our export of cotton-seed in 1936-37 amounted to about 9,000 tons, against 730 tons and 636 tons in the two preceding years respectively and the pre-war average of 240,000 tons.

The following table gives the world production of cotton seed:—

(In thousand quintals)

	1931-32	1932-33	1934-35	1935-36
U. S. A.	68,690	52,450	38,850	49,950
India	16,900	19,700	20,500	26,700
China	9,000	11,400	15,800	19,800
Africa	8,260	7,210	10,390	12,770
S. America	4,790	4,110	10,060	11,900
U.S.S.R.	8,500	8,400	7,700	15,500
World	119,300	105,400	107,000	142,200

It will be seen from the above table that the production in the United States of America considerably declined in 1934-35, which was due to the restricted production of cotton in America. It is significant that, while the production in America has declined. other countries have been gradually increasing their production.

CASTOR SEED

In the cultivation of castorseed India occupies a unique position in the world. She is responsible for about 80 per cent. of the world's annual production of castorseed and it is mainly grown as an export crop. The medical importance of the seed is greatly appreciated in all countries.

The sowing season extends from May to July and the crop is harvested in January and February. A late variety is also grown

which is generally sown in September and harvested in March and April. There are four main qualities of this seed generally recognised in the market. The Bombay and Madras small seeds contain a very high percentage of oil and meet with a keen demand in the market. The other two varieties are Calcutta and Cawnpore, which are noted for their boldness. The crop takes about 8 to 12 months to mature and its average yield varies from 300 lbs. to 400 lbs. per acre. In 1935-36 the area under castorseed was estimated at 1,447,000 acres and the outturn at 119,000 tons. The peak year of production was in 1932-33, when the total area sown and the outturn amounted to 1,617,000 acres and 151,000 tons respectively. The average production for the quinquennium ended 1924-25 amounted to 114,000 tons from a sown area of 1,505,000 acres. The following table gives the provincial acreage and production in 1936-37:—

Provinces and States.		Area (acres)	Yield (tons)
Madras	...	241,000	24,000
Bombay*	...	90,009	13,000
Bihar	...	84,000	5,000
C. P. & Berar	...	32,000	6,000
Orissa	...	20,000	2,000
United Provinces		13,000	4,000
Hyderabad	...	520,000	40,000
Baroda	...	88,000	7,000
Mysore	...	96,000	5,000
Total	...	1,134,000	106,000

*Including Sind

Castorseed is cultivated in India mainly as an export crop. She occupies a predominant position in the world as an exporter of castorseed, her annual exports exceeding 90 per cent. of the total production. The principal customers are the United States of America, United Kingdom, France, Italy and Belgium. The following table gives the distribution of our exports:—

Export of Castor seed from India in tons

	Pre.war average	1929-30	1931-32	1933-34	1935-36	1936-37	1937-38
U. S. A.	11,800	51,500	34,743	21,200	4,003	1,707	...
U. K.	53,900	23,200	23,237	15,902	22,409	20,516	12,690
France	15,700	16,500	20,280	11,996	14,578	6,611	4,902
Italy	11,000	6,100	12,104	7,890	6,693	1,456	6,793
Belgium	13,700	3,500	4,069	300	733	3,591	1,245
Others	7,500	4,600	9,541	24,271	11,552	10,792	16,449
Total	113,600	130,400	103,974	81,559	59,961	43,089	42,079

Since 1929-30 Indian exports of castorseed showed a gradual decline which is attributed to the general world trade depression. But the danger of the fast increasing production in Manchuria, Russia and Brazil is viewed with apprehension. The outside growths have already captured a portion of the export market, and unless efforts are made to recapture the lost markets, it would only strengthen the hands of the competitors.

Although our exports of the seeds has been gradually declining, there has been a steady increase in our exports of castor oil. During the last decade, the United Kingdom, our important customer, has increased her takings by about 120 per cent. The following table gives the progressive increase:—

Export of Castor Oil from India

Year.			In Thousand Gallons.
1926-27	...	...	... 647
1928-29	...	...	... 539
1931-32	...	...	... 982
1932-33	...	...	... 1,125
1933-34	...	...	... 1,335
1934-35	...	...	... 1,213
1935-36	...	...	... 1,408
1936-37	...	...	... 1,515

Castorcake also forms an article of export Ceylon being the largest customer. During 1936-37 our total export of castorcake amounted to 1,698 tons valued at Rs. 82,777, of which 1,688 tons were taken by Ceylon.

TRANSPORT SECTION:

RAILWAY AND RAILWAY FINANCE

I. GENERAL

Railways in India fall under two main categories:—

A. Those that are owned and managed by the State.

B. Those that are owned by the State but managed by private companies under contract with the Secretary of State for India.

The second-class companies of railways towards the cost of which the working agents have contributed a small amount of share capital on which a definite rate of interest is guaranteed by the Government of India. The surplus profits of these Railways are divided between the working agents and the Government in the ratio of their respective capital.

Both the classes of railways mentioned above are financed in the same way through the Government programme or from loans forming part of the Public Debt of India or by the issue of Debentures by the working companies.

In addition to the above two classes, there are also branch line companies formed before the introduction of the present policy of financing branch lines. Generally, the main financial conditions of the contracts with such Companies are:—

(1) the provision of land by Government free of cost to the Companies;

(2) financial assistance in the shape of a firm guarantee of 3½ per cent. on the capital, or a rebate out of the net receipts of the parent system accruing from "interchanged traffic", sufficient to make up, with the net earnings of the branch, an amount equivalent to 5 per cent. on the capital; and

(3) equal division between Government and the branch line company of surplus profits over and above 5 per cent.

The various ways in which the Branch Line Companies finance themselves are—

(1) by the issue of share capital,

(2) by the issue of debentures,

(3) by temporary loans (including cash credit) from banks or from the Managing Agents of the lines; and

(4) by temporary advances from Government.

A new policy that had been introduced in 1924-25 for the construction and financing of branch lines also requires mention. Under this policy endeavours are to be made to reduce by purchase the number of existing branch line companies and Government is to find the capital required for the construction of extensions of branches to existing main systems. The construction of any branch or feeder lines not expected to be remunerative, which a Local Government might desire to have constructed for purely local reasons or administrative advantages, will be considered to guarantee the Government of India against the loss involved in the working of such lines.

II. SEPARATION CONVENTION

Until September 1924, the Railway finances formed part and parcel of the General finances of India. A convention was entered into in September 1924, by which it was agreed to separate Railway finances from the General finances as a temporary measure.

The main features of the convention are the folowing:—

1. The general revenues shall receive a definite arrival contribution from Railways which shall be a sum equal to 1 per cent on the capital at charge of commercial lines (excluding capital contributed by companies and Indian State) at the end of the penultimate financial year plus one-fifth of any surplus profits that might remain after payment of this fixed return.

2. This shall be the first charge on the net receipts of railways provided that, if in any year, railways are insufficient to provide for this contribution, the deficiency

shall be made good from the surplus profits of the next or subsequent years.

3. The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

4. Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.

5. The railway reserve shall be used to secure the payment of the annual contribution to general revenues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital; and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.

III. CONTRIBUTION TO GENERAL REVENUES

So long as Railway finance formed part and parcel of the General finances of India, the surplus profits of the railways were absorbed in the general revenues of the country and were available for affording relief to the general taxpayer. It has always been a point of discussion as to whether the profits of railways that are State-owned should be utilised for reduction of taxation or in building up railway reserves. The convention that was entered into in 1924 was more or less in the nature of a compromise between those two schools of thought. It allowed a moiety of the net gain being utilised for relief of general taxation and another in building up a reserve so as to strengthen the credit of the Railways.

It will be seen from the figures given below that the railways were in a position to pay the required contribution to General Revenue up to the year 1930-31, and the contributions were held up from 1931-32 to 1936-37. It is only in the budget of 1937-38 that a small sum of Rs. 15 lakhs has been provided for as contribution to the General Revenues in the hope that the tendency towards increased earnings and better trade condition in the country so unmistakeably noticeable towards the end of 1936-37 would, doubtless, enable the Railways to resume their contributions:

		Crores, Rs.
1924-25	...	6.78
1925-26	...	5.49
1926-27	...	6.01
1927-28	...	6.28
1928-29	...	5.23
1929-30	...	6.12
1930-31	...	5.74
1937-38 (Revised)		2.83
1938-39	...	2.56

It has been decided to write off the arrear contributions due to the General Revenues during the years from 1931-32 to 1936-37 and to start with a clean slate from 1937-38.

IV. THE RESERVE FUND

The creation of a Reserve Fund was one of the direct results of separation convention of 1924. As has already been seen, any surplus remaining after the payment to General Revenues was transferred to a Reserve Fund. Up to the year 1928-29, the Railways were able to build up a Reserve Fund of Rs. 18.81 crores but the entire fund had to be wiped out in meeting the contributions due to the General Revenues during the two lean years 1929-30 and 1930-31 and in meeting the deficit of 1931-32 as shown below:

	Crores, Rs.
1924-25	6.38
1925-26	3.79
1926-27	1.49
1927-27	4.57
1928-29	2.58
1929-30	—2.08
1930-31	—10.92
1931-32	—4.95

V. THE DEPRECIATION FUND

A Depreciation Reserve Fund was also created since the separation convention to provide for renewals and replacements of all wasting assets.

Prior to 1924, Indian railways did not set apart any sum annually to provide for the depreciation of assets that had not been corrected by the expenditure incurred in the year on renewals and replacements. During the War, the expenditure on renewals and replacements was greatly restricted and railway property had deteriorated very considerably in value. The postponement of the expenditure on renewals and replacements led to the companies working State railways earning large surplus profits in accordance with the

provisions of their respective contracts, but their extra earnings were at the cost of the State and of the tax-payer. In the post-War years, larger funds had to be provided annually for expenditure on renewals and replacements to overtake and correct the deterioration of assets during the War.

For these reasons, a Depreciation Fund was started, as provided for in the Convention of September, 1924. The original intention was, no doubt to make it applicable to Company-managed railways also, so that the surplus profits of the Companies might not be enormously increased by purely adventitious circumstances. The Companies would not accept the arrangement, and there was no alternative but to keep such an account for the Company railways *outside* their accounts and set apart an annual sum from the net earnings accruing to Government after the companies had been given their surplus profits in accordance with the old practice. This has been done, and a Depreciation Fund account is being maintained by Government for Company-managed railways, outside the regular accounts.

The actual balance under Depreciation Fund each year from 1924-25 is given below. Temporary loans had to be taken from this Fund to meet the deficits during the years from 1931-32 to 1937-38.

(In crores of Rs.)

Year	Credit to Fund	Debit to Fund	Nominal Balance	Tempy. loans	Actual Balance
1924-25	10·35	7·29	8·06	...	8·06
1925-26	10 67	7·99	5·74	...	5·74
1926-27	10·80	8·05	8·58	...	8·58
1927-28	11·38	10·95	9·01	...	9·01
1928-29	12·00	9·60	11·41	.	11·41
1929-30	12·59	11·76	12·24	...	12·24
1930-31	13·07	11·39	13·92	...	13·92
1931-32	13·46	8·26	19·12	4·25	14·87
1932-33	13·77	6·35	26·54	10·23	12·06
1933-34	13·56	8·07	32·03	8·05	9·50
1934-35	13·72	8·66	37·0	5·06	9·50
1935-36	13·25	9·16	41·18	8·99	9·60
1936-37	13·17	7·88	46·47	–1·21	10·09
1937-38 (Revised)	12·57	8·20	49·36	·38	18·91 (a)
1938-39 Budget	12·57	6·65	55·28	...	24·83

(a) Excludes Rs. 1.48 crores balance for Burma Railways.

Thus the Railways will have a balance of Rs. 24.83 crores in the Depreciation Reserve Fund at the end of 1938-39.

VI. CONTRIBUTION TO THE DEPRECIATION FUND

The method of contribution to the Depreciation Fund has recently undergone a slight change. Formerly the life of each wasting asset (such as locomotives, carriages, buildings, bridge-work, etc.) was fixed and a contribution equal to the total capital expenditure on an asset divided by the assumed normal life of that asset was met from Revenue and credited to the Depreciation Fund irrespective of when the asset was actually condemned and replaced. That is to say, the contribution to the Depreciation Fund on account of every asset would go on throughout the assumed life of that asset even though it might have been prematurely gone out of use and replaced by a fresh asset. This procedure has, however, been recently changed and a fixed contribution of one-sixtieth of the capital at charge is met from Revenue and credit to Depreciation Fund every year. Thus the contribution to the Fund would not go on throughout the assumed life of the asset but would cease as soon as the asset is condemned and written off the capital account.

VII. EXPENDITURE FROM DEPRECIATION FUND

Before the Depreciation Fund was introduced, the rules of allocation between Capital and Revenue were very strict. Nothing was chargeable to capital unless there was, not only an increase in the cost, but also a definite and substantial improvement in service. The variations in price levels of different lines were not allowed to lead to over-capitalisation, the original costs were covered into the probable costs of replacement (at the time of replacement) to determine whether the cost of the new asset provided in replacement was more or less than those of the old. Renewals of permanent way carried a charge to capital only on the basis of the extra weights of rails and sleepers put in; reconstruction of bridges was similarly allocated only on the basis of the increase in the weight of girders; and no charge lay to capital when rolling stock was renewed unless there was an increase in the tractive effort of locomotives, the floor area of carriages, and the carrying capacity of wagons. These rules were, however, continued to be followed in the company-managed railways. But on the State-managed railways the rules were altered with the creation of the Depreciation Fund and charges were admitted to capital on the simple basis of cost. That is to say, when an asset is replaced, the Depreciation Fund had to bear only to the extent of the original cost of the replaced asset and the balance was borne by capital irrespectively of whether there was any improvement in service on

account of the new asset. Thus the intermediate effect of this change in rules of allocation was to lead to over-capitalisation on State-managed railways.

This inherent defect in the rules of allocation introduced along with the institution of the Depreciation Fund was recognised as time went on and was freely commented upon in Sir P. R. Rau's review of the appropiiation rules of 1935-36 with effect from April 1, 1936, the old rules that were in force prior to 1924 have virtually been reintroduced. Nothing is now chargeable to capital in respect of a new asset unless there is a definite improvement over the old one and even then only to the extent of that improvement. Depreciation Fund has to bear either the original cost of the old asset or the present-day cost of replacement by an identical asset, whichever is greater. Thus the chances of over-capitalisation that were inherent in the old rules have been entirely eliminated.

VIII. DEPRECIATION FUND BALANCES

The question has often been discussed whether the balance in the Depreciation Fund is not abnormally high and the contributions hitherto made to the Fund have not been on an extravagant basis. It must, however, be remembered in this connection that no provision was made at the inception of the Fund for arrears of depreciation which were estimated at nearly Rs. 20 crores by a committee that examined the question in 1922. The amount in the Fund is necessarily very much less than the value of the expired life of the assets that were existing at that time.

Apart from this aspect also, the balances do not form a very high percentage of the capital at charge though they form an increasingly heavier percentage as may be noticed from the following figures:

Year		Capital at charge	Depreciation fund balance	percentage
		(In crores of Rupees)		
1927-28	...	7,14	9.01	1.3%
1928-29	...	7,39	11.40	1.5%
1929-30	...	7,70	12.24	1.6%
1930-31	...	7,83	13.92	1.8%
1931-32	...	7,90	19.12	2.4%
1932-33	...	7,89	26.54	3.4%
1933-34	...	7,88	32.03	4.2%
1934-35	...	7,87	37.09	4.7%
1935-36	...	7,89	41.18	5.2%
1936-37	...	7,89	46.47	5.9%
1937-38 (Revised)		7,54	49.36	6.5%
1938-39 (Budget)		7,57	55.28	7.3%

The accretions to the fund during the last three years are abnormally high owing to comparatively low expenditure as a result of financial stringency. The average annual increase during the first seven years is Rs. 2 crores; during the next three it is over Rs. 6 crores. On the assumption that the fund would normally have grown at the rate of Rs. 2 crores a year—the average of the first seven more or less normal years—the balances at the end of 1933-34 can be taken at about Rs. 20 crores and equal to 2½ per cent. of the capital at charge. This cannot be considered a high figure seeing that the Depreciation Fund balances of the 4 British Railways are in the neighbourhood of 4 per cent. of their capital.

With the introduction of the new method of appropriation to the Depreciation Fund, namely one-sixtieth of the capital at charge of the previous financial year, this tendency towards an increasing percentage will ere long be checked.

IX. THE RETURN ON CAPITAL

The rates of return on the capital at charge of all State-owned Railways are given below:

Year		Percentage of net profit on Capital Charge: Before deducting interest	After deducting interest
1924-25	...	5.8	2.0
1925-26	...	5.2	1.4
1926-27	...	4.9	1.1
1927-28	...	5.3	1.5
1928-29	...	5.0	1.0
1929-30	...	4.5	0.5
1930-31	...	3.5	–0.7
1931-32	...	3.0	–1.2
1932-33	...	2.9	–1.3
1933-34	...	3.1	–1.0
1934-35	...	3.4	– .64
1935-36	...	3.5	– .51
1936-37	...	4.1	+. 15
1937-38 (Revised)		4.2	+. 38
1938-39 (Budget)		4.2	+. 34

* Excluding Burman Railways.

It would be interesting to find out the percentage of net revenue receipt on capital at charge of State-managed railways and Company-managed railways separately and the percentge of net earnings on the capital at charge of the State-managed railways and some of the Company-managed railways individually

Commercial and Strategic lines together.

(Figures in lakhs of Rupees.)

		1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
		M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	M.
Mileage	State-owned	27,664	28,036	29,111	30,878	31,197	31,640	31,642	31,644	31,619	31,732	31,729	29,721	29,721
	Worked Lines	7,484	7,517	7,654	6,640	6,806	6,803	6,907	6,654	4,364	4,578	4,398	4,084	4,084
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Traffic Receipts.	State-owned	98,42	1,03,43	1,03,73	1,02,70	95,10	86,63	84,43	86,63	90,20	90,65	95,49	94,25	94,25
	Worked Lines	6,77	7,18	7,27	6,47	4,99	5,07	4,86	5,13	5,28	5,37	5,53	5,58	5,18
Operating Expenses	State-owned	52,89	53,06	54,22	55,59	54,39	49,31	49,08	49,50	50,27	50,87	50,23	49,54	49,98
	Worked Lines	3,33	3,53	3,63	3,30	2,66	2,63	2,49	2,60	2,66	2,68	2,66	2,69	2,50
Depreciation Fund		10,89	11,38	12,00	12,59	13 07	13,46	13,77	13,56	13,72	13,25	13,15	12,57	12,57
Daymen's to Worked Lines		3,44	3,65	3,64	3,17	2,33	2,44	2,37	2,53	2,62	2,69	2,87	2,89	2,68
Net Traffic Receipts (State Lines)		34,64	38,99	37,51	34,52	27,64	23,86	21,58	23,57	26,21	26,53	32,11	29,24	31,70
Net Miscellaneous Receipts after deducting miscellaneous charges and Surplus profits payable to Companies.		—1,27	—87	—37	—2	—11	1	1,10	1,05	53	87	—9	—7	17
Net Revenue		33,37	38,12	37,14	34,50	27,53	23,87	22,68	24,62	26.74	27,40	32,02	32,07	31,87
Interest Charges		25,87	27,27	29,33	30,46	32,72	33,07	32,91	32,58	31.80	31,39	30,81	29,24	29,31
Surplus.		7,50	10,85	7,81	4 04	—5,19	—9,20	—10,23	—7,96	—5,06	—3,99	1,21	2,83	2,56
Paid as contribution to General Revenues.		6,01	6,28	5,23	6,12	5,74	...	...	...	...	...	...	2,83	2,56
Transferred to Railway Reserve		1,49	4,57	2,58	—2,08	—10,93	—4,95	...	...	...	..	...	...	...

Note—1—The balance of the loss in 1931-32 and the Total loss in the following years have been, or will be, met by temporary borrowings from the depreciation fund.

Note—2—Credits for material released from works not charged toRevenue were taken in reduction of operating expenses up to 1931-32. From 1932-33 onwards they have been added to Receipts and are included in net miscellaneous receipts. From 1936-37 they are taken as reduction of expenditure met from Depreciation Fund.

with a view to see how the working of the State-managed railways compare with that of the Company-managed ones. The figures are given below:

Percentage of Net Revenue Receipt	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
1. On Capital at charge, State Rys. ...	4'49%	4'81%	4'59%	3'81%	2'85%	2'64%	2'57%	2.83%	3.04%	3.14%	4'03
2. On Capital at charge, Company Rys. ...	5'70%	6'07%	5'98%	5'07%	4'76%	3'74%	3'46%	3.56%	3.77%	3.79%	4'14
			In Lakhs of Rupees								
Net gain or loss to Govt., State Rys.	363	497	260	—80	—653	—765	—776	—622	—412	—335	+63
Net gain or loss to Govt., Coy. Rys.	873	508	383	325	32	—215	—287	—174	—94	—64	+58
Total gain or loss ..	721	1,015	659	254	—624	—980	—1,063	—796	—506	—399	+121

STATE RAILWAYS	Percentage of net earnings on total capital at charge								
STATE MANAGED ...	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Eastern Bengal	4 29	4.19	2 29	1.62	1,56	1.45	1.48	1.45	2.27
East Indian	5.79	5.08	4.22	4.12	4.18	4.11	4.85	4.65	5.19
Great Indian	4.66	4.09	2.63	2.41	2.57	2.64	3 05	3.04	4.08
North Western (Commercial) ...	4.79	3.78	3.23	2.95	2.77	2.83	3.28	4.03	5.32
Burma			3.09	2.48	2.13	2.01	2.51	2.20	3'03
COMPANY-MANAGED ...									
Assam-Bengal	4.19	3.18	3.05	2.69	1.39	0.88	1.31	.29	'76
Bombay-Baroda	7.21	6.36	5.19	5.63	5.99	5.20	5.51	5.99	6.86
M. & S. M.	8'22	7.23	6.00	6.19	5.58	4.63	4.22	3.64	4.55
South Indian ...	6.87	6.68	5.43	5.11	5.11	3.68	3.82	3.17	3.64

Individual figures in the above table are not strictly comparable since the State-managed railways set aside for depreciation fund more than what the Company-managed lines spend on renewals and replacements. But the general tendency for economical management is more apparent in the Company-managed lines than in the State-managed. This is somewhat remarkable in view of the fact that, in accordance with the rules of allocation between capital and revenue hitherto adopted on the State-managed railways, much of what the Company-managed railways meet from capital on the State-managed ones.

X. PURCHASE OF RAILWAY STORES

According to the convention of 1934. Government was committed to the undertaking that the purchase of stores for the State Railways should be undertaken through the organization of the Stores Purchase Department of the Government. The significance of this undertaking lies in the belief that the latter department owes its genesis to the policy of Government to encourage Indian industries and make its purchases of stores, wherever possible, in India itself. The following figures give some indication of the scale of purchases of State Railways in one year and the vital influences this must necessarily have on the industrial and commercial life of the country.

XI. RUPEE TENDER SYSTEM

The new stores purchase rules promulgated with the Government of India, in the Industries Department, Resolution No. S.217 of the 12th December, 1929, came into force from the 1st January and provide that all articles required to be purchased for the public service, except those of special and unusual character, must be purchased on the condition that delivery shall be made in India for payment in India. They also permit of a limited degree of price, preference being accorded to articles produced or manufactured either wholly or partly in India. Departmental regulations have been

VALUE OF RAILWAY MATERIALS PURCHASED

(In Crores of Rs.)

	Value of Imported Materials							
	Total Purchase 1932-33	Purchased Direct	Purchased through Agents in India	Total Imports materials	Value of indigenous materials	Total Purchases 1931-32	Total Purchases 1930-31	Total Purchases 1929-30
Rolling Stock	1·33	0·47	0·57	1·04	0·29	3·29	6·44	8·91
Tools and Stores	3·11	0·13	1·42	1·55	1·56	3·74	5·68	7·14
Permanent Way	2·07	0·33	0·12	0·15	1·92	3·68	4·05	5·56
Electric Plant	0·63	0·14	0·48	0·62	0·01	0·87	1·40	2·16
Building and Station materials and fencing	0·18	0·01	0·10	0·11	0·07	0·29	0·57	0·57
Bridge Work	0·13	...	0·07	0·07	0·06	0·15	0·32	0·63
Workshop Machinery	0·25	0·07	0·18	0·25	...	0·26	0·46	0·66
Engineer's Plant	0·14	0·03	0.10	0·13	0·01	0·14	0·23	0·44
Other materials*	3·23	...	0·30	0·30	2·98	3·57	4·60	4·10
Total ...	11·04	0·88	3·33	4·21	6·83	15·99	23·75	30·06

* Other materials consist of coal and coke, stone, brick, lime and ballast, etc.

issued by the Railway Board for the guidance of railway officers in the observance of these rules. The assertion of a more definite preference for stores produced or manufactured wholly or partly in India, which was the feature of the rules made by the Secretary of State more than a decade ago, has thus been followed up by a fairly strict rule requiring purchase in India and in Indian coin.

These rules for stores purchase apply in their entirety only to the State-worked railways. They cannot be made to apply, as a matter of course, to Company-managed State railways as they might be considered to infringe upon the powers of the Companies' Home Boards in these matters. But the Company-managed railways were asked to follow these rules as far as might be practicable.

THE WEDGEWOOD COMMITTEE

An enquiry committee consisting of (1) Sir Ralph Wedgwood, the Chief General Manager of the London and North Eastern Railway; (2) Mr. W. A. Stanier, the Chief Mechanical Engineer of the London Midland and Scottish Railway and (3) Mr. H. Cheadle, the Chief Traffic Manager of South African Railways, was appointed in October 1936 "to examine the position of Indian State-owned railways and to suggest such measures as may secure an improvement in net earnings, due regard being paid to the question of establishing such effective co-ordination between road and rail transport as will safeguard public investment in railways while providing adequate services by both means of transport and place Railway finances on a sound and remunerative basis." The committee published its report in June 1937. The principal recommendations and observations of the committee are given below:—

1. The railways should no longer be looked to as a possible source of revenue for the relief of general taxation and every endeavour should be directed towards enabling the railways to maintain full solvency.

2. Looking to the future the railways after providing for depreciation are not likely over a period of years to earn more net revenue than will serve to meet their interest charges.

3. The importance of keeping an adequate Depreciation Fund and a general reserve fund was strongly emphasised.

4. The abandonment of fencing at places where it is unnecessary, the reconditioning of fishplates, the use of welding for repairing bridge guiders, points and crossings and for reducing the number of rail joints so far as Engineering Departments is concerned.

5. Better use of rolling stock; reduction in the stock of locomotives and carriages, scrapping and writing off of uneconomical units of rolling stock; a better standard of supervision and training by European supervisory staff, so far as the mechanical engineering department is concerned.

6. Acceleration of passing trains, improved operation by reduction of loads, closing of unremunerative branch lines and withdrawing unremunerative services.

7. All railways should examine the possibility of engaging in road services and place their proposals for the Provincial Governments.

8. The institution of a railway information office to mantain adequate contact with the press.

9. Closer contact between the agents and the trading public.

To all appearances, the recommendations of the committee look commonplace and there is no recommendation that has not already engaged the attention of the Railway Board previously on some occasion or other. No observation of the committee has perhaps evoked public indignation so much as their reference to the need for further Europeanising of the services on the Railways. The remark that the railways should no longer be looked to as a possible source of revenue for the relief of general taxation has equally met with severe criticism in the hands of the public. Except the technical recommendations on which there can possibly be no two opinions the rest have *in toto* been rejected by the Assembly.

FEDERAL RAILWAY AUTHORITY

This chapter on Railway Finance would be incomplete without a reference to what would be the organisation of the railways under the Indian Federation in accordance with the Government of India Act of 1935. The executive authority of the Federation in respect of all matters concerning the railways shall be exercised by a Federal Railway Authority. The Authority shall consist of seven members, to be appointed by the Governor-General, with experience in commerce, industry, agriculture, finance of administration, and the Authority shall be guided in the discharge of their functions by such instructions on matters of policy as may be given to them by the Federal Government. The authority shall maintain their own accounts and any surplus on revenue account shown in the accounts of the Authority shall be apportioned between the Federation and the Authority in accordance with a scheme to be prepared by the Federal Government or until such a scheme has been prepared in accordance with the principles which exist at present.

Thus with the establishment of the Federal Railway authority, the political interference which has been one of the long-standing complaints of the Railways, will have been removed. The Federation will get a fixed contribution as in vogue at present or as may be laid down by mutual agreement at the time of the establishment of the Authority. The accounts of the Authority will be subject to the audit of the Auditor-General.

THE FUTURE OF THE RAILWAYS

The year 1936-37 may well be said to be the turning point in the history of the finances of our railways. The depression set in the year 1931-32 when the balance in the Reserve Fund of the Railways, was completely wiped out to meet the deficit. It may be said that the period of deficit years started from 1930-31 but a contribution of Rs. 574 lakhs could have been made to the General Revenues in that year out of the balance in the Reserve Fund. The year 1931-32 however, could see no possibility of even this, for in that year the net revenue was insufficient to meet even the interest charges, and there was no balance left in the Reserve Fund either. The depression which started in 1931-32 continued up to 1935-36. Owing to improvement in trade and commerce and in the political condition of the country, the year 1936-37 has definitely been a year of small surplus which, according to the revised estimate of 1936-37, was expected to amount to Rs. 15 lakhs. How much it was actually will be known when the budget estimates for 1937-38 is presented to the Assembly.

The question that is in everybody's lips is "Will the year 1936-37 prove to be really the harbinger of a bright period for the Railways?" Much as we disagree with the view of the Wedgwood Committee that "the Railways shall no longer be looked to as possible sources of revenues" the need for the Railways themselves to bring about a reorientation of their outlook in all matters cannot be too strongly emphasised, if they are to retain their hold on the public support. An effective coordination with other means of transport, chiefly the buses which are mostly private-owned, greater consideration for the convenience and comfort of the lower class passengers, greater civility on the part of the Railway servants—these may perhaps be said to be some of the reforms which would be necessary for the attainment by the railways of anything like the period of prosperity in the pre-depression days. It should be remembered that the railways are the greatest asset of the country and two-thirds of the public debt of India are sunk in our railways. No effort will therefore be too great to place the Railways on a sound financial footing.

BANKING SECTION:

BANKING IN INDIA 1937-38

Bank profits generally reflect the measure of prosperity and activity in trade in a country. Owing to the consistent decline in activity from the end of 1937 it was but natural that there was some anxiety regarding the results for the first half of 1938. The profit figures for the first half of 1937 fully reflected the active conditions prevailing in the various industries. The excessive activity in the stock exchanges all over the world added to the profits of banks. The crash in stock exchange values came in April, 1937, but there was a moderate revival towards the end of September. But with the frustration of hopes of a revival in industrial activity in autumn in the United States, there was another serious crash in prices. Since October last, there has been a gradual decline in industrial activity, especially, in the United States and with that a fall in sstock exchange prices.

The effects of the developments in the United States have been fully reflected in this country. Stock exchange activity has been at the lowest ebb during the past eight months and more. Only during the past few weeks has there been any semblance of activity. With a dwindling balance of trade and less financing on account of crop movementss, one would have naturally expected a deline in profits of the leading banks. This declining tendency in profits was noticeable even towards the closing months of last year, but the effects of the depression could not be fully reflected in last year's figures. It is on account of these reasons that the figures for the half-year ended June, 1938, are invested with special importance. Fortunately, they are not discouraging.

From the table given below it will be seen that, excepting the Imperial Bank of India, the other banks have recorded a decline in profits over the corresponding period last year. The slight increase in the profits of Imperial Bank of India is perhaps due to the higher yield on Treasury Bills even late in the season. Among the other banks, the fall has been rather pronounced in the case of the Central Bank of India Limited and it is the only case of a bank which has earned profits less than those for the corresponding period in 1936. In an analysis of this nature it would be better to take the profits of the Bank of India as the correct guide. Then it will be seen that the profits for the half-year ended June, 1938, are slightly lower than those for the corresponding period in 1937 and considerably higher than those for the corresponding period in 1936.

(In lakhs rupees)

		Half-year ended June		
		1938	1937	1936
Imperial Bank	...	39·52	89·09	37.27
Bank of India	...	11.45	12.14	8.34
Central Bank	...	11.24	13.82	12.49
Punjab National	...	4.51	4.55	3.25
Bank of Baroda	...	2·32	2.64	1.95
Total	...	69.04	72.26	63-30
Increase % over 1936	...	9.1	14.2	...
Decrease % over 1937	...	4.5	...	...

The aggregate profit for the whole group for the first half of 1938 is Rs. 69.04 lakhs against Rs. 72.26 lakhs for the first half of 1937 and Rs. 63.30 for a similar period in 1936. While the percentage of decline over the profit for the first six months of 1937 is only 4.5 per cent., the percentage of increase over the profits for 1936 is still 9.1 per cent. against 14.2 per cent. in 1937. Thus the decline in profits, while expected, is only 4.5 per cent., and should not be considered as too disscouraging. The recovery in the markets during the past three months, if it is to be taken as the harbinger of recovery, should put a stop to the decline in profits.

The position of the scheduled banks will be noticeable from the table given below. The total number of scheduled banks increased from 50 to 54 during the course of

1937. The advantages of contact with the central bank of the country are being increasingly recognised by the joint-stock banks and some of them increased their share capital apparently with the primary object of being included in the Schedule.

	As on 1-1-37	As on 31-12-37	As on 2-9-38
	Rs.	Rs.	Rs.
Demand liabilities in India and Burma ...	131,72,29,000	131,53,84,000	131,01,52,000
Time liabilities in India and Burma ...	102,28,32,000	110,76,99,000	106,70,82,000
Cash in India and Burma	7,19,31,000	8,14,89,000	5,84,65,000
Balances with the Reserve Bank	20,48,70,000	19,91,99,000	21,19,53,000
Advances in India and Burma	100,32,53,000	108,73,36,000	107,95.22,000
Bills discounted in India and Burma ..	4,95,91,000	6,13,08,000	2,53,31,000

The Reserve Bank of India was able to earn a net profit of Rs. 27,91,200 for the year ended December, 1937, after payment of expenses of administration and provision for sundry liabilities and contingencies. The usual dividend of 3½ per cent. was declared and the balance was paid to the Governor-General in Council in accordance with section 47 of the Reserve Bank of India Act, 1934. The average rate for Indian treasury bills was slightly higher for the year at Rs. 0-14-4 as compared with Rs. 0-11-4 for 1936. The low rates prevailing both in India and London again reacted on the profits of the Bank and to a greater extent than in the previous year since April there expired the temporary proviso to section 33 (6) c of the Reserve Bank Act which enabled the bank to hold British Government Sterling Securities maturing after five years.

The giltedge market was firm throughout the period under review. 3½ per cent. Paper nearly touched par during the early months of this year but during recent months have shown an uncertain tendency with the disturbances in the international political situation. The bank rate remained unchanged at 3½ per cent.

Advantages of the extremely easy money conditions was taken by the Central Government which came out with a long term 3 per cent. cash and conversion loan for Rs. 15 crores rupees. The issue price was Rs. 98. 5½ per cent. Loan, 1938-40 and 5 per cent. Loan, 1939-44, were accepted in subscription to the 3 per cent. loan at Rs. 101-12 and Rs. 104 respectively per Rs. 100 nominal of the securities tendered. The lists were heavily oversubscribed, the amount of 5½ per cent. 1938/40 offered being approximately Rs. 11.39 crores while the 5 per cent. tendered to the authorities amounted to Rs. 8.04 crores. Cash applications came to Rs. 6 crores. The gross total was Rs. 25.5 crores. The public bodies have been successful in getting their requirements at favourable rates.

The banking system in South India received a rude shock some months back with the failure of the Travancore National and Quilon Bank. With the general lack of confidence there was a run on almost all the important banks in the Southern Presidency . Only the steps taken by the Government of Madras and Reserve Bank of India were able to allay the fears regarding the soundness of the banking system in the South. The failure of the Travancore National and Quilon Bank has given rise to various problems. The attitude of the Reserve Bank towards the scheduled banks during the last crisis has been criticised in many quarters. These and other problems have given rise to the need for the enactment of a separate Bank Act and a more clear definition of the relations between the Reserve Bank and the scheduled banks.

During the year 1937 branch banking progressed unimpeded, the total number of branches, pay offices, etc., of the banks increasing from 828 to 1,138 as compared with the previous year when the total rose from 723 to 828, which shows that branch banking is developing on increasing scale.

BANKING SECTION:

REVIEWS OF BALANCE SHEETS

(OF THE MORE IMPORTANT BANKS DOING BUSINESS IN INDIA)

RESERVE BANK OF INDIA

The Reserve Bank of India was inaugurated on April 1, 1935. The Bank took over the control of the Issue Department from Government and the management of Public Debt and Government accounts from the Imperial Bank of India on April 1, 1935. It was, however, not till July 4, 1935 that the Bank assumed one of its most important functions as a Central Bank by announcing the first official contact officially with the scheduled banks. This was accomplished on July 5, 1935 the date on which the scheduled banks lodged their statutory deposits with the Bank in accordance with the provision of Section 42 of the Reserve Bank of India Act.

The capital paid-up is Rs. 5 crores in shares of Rs. 100 each. The net profit, after payment of expenses of administration and provision for sundry liabilities and contigencies for the year ended December, 1937 amounted to Rs. 27,91,200 as against Rs. 53,42,100 for the previous year.

A sum of Rs. 17,50,000 was utilised for payment to shareholders of a dividend at the rate of 3½ per cent per annum being the cumulative rate fixed by the Governor-General-in-Council in accordance with Section 47 of the Reserve Bank of India Act, 1934. The surplus of Rs. 10,41,200 was paid to the Governor-General in accordance with said section.

The Reserve Bank of India rate continued unchanged throughout the year at 3 per cent. The money market was firmer in the beginning of 1937 when the interbank call rate in Bombay rose to about 1½ per cent. though it remained at a lower level at Calcutta. The Reserve Bank helped to ease the situation by increasing its weekly purchases of sterling to £2 million besides effecting considerable intermediate purchases.

The average note circulation in February was Rs. 196.14 crores in comparison with Rs. 168.73 crores in February, 1936. The advances of the Scheduled Banks in April, 1937 amounted to Rs. 112.56 crores as compared with 95.05 crores in the corresponding month in 1936.

The firmness in money rates which usually begins towards the end of the year did not materialise and the position at the end of the year was exceptionally easy with call money available over the end of the year at ½ to 1 per cent. The average rate for Indian Treasury Bills was slightly higher for the year at Re. 0-14-4 as compared with Re. 0-11-4 for 1936. The low rates prevailing both in India and London again reacted on the profits of the Bank and to a greater extent than in the previous year.

Sterling exchange was steady throughout the year at 1s. 6 3/32d., but the surplus sterling available for sale to the Reserve Bank was considerably curtailed not only by the increase in imports and the dwindling in the export of gold, but also by remittance for the purchase of shares in the speculative movement at the beginning of the year and also for investment abroad, in view of the comparatively high prices prevailing in India giltedged securities throughout the later part of the year. The Reserve Bank was able to purchase its requirements by 1s. 6⅛d. by tender besides being able to purchase £2,762,000 by intermediate at 1s. 6 5/32d. The total amount of sterling purchased during the year was £33,916,000 as compared with £42,699,000 in 1936. This enabled the Bank to meet Government's sterling requirements amounting to £31,013,000 and to increase the external reserves of the Issue Department by £6,747,400.

A separate agreement was entered into by the Bank with the new Burma Govern-

ment on the lines of the Agreement entered into with the Secretary of State for India in 1935. The Bank continues to be responsible for the management of the currency of Burma. Currency notes are now no longer legal tender in India. The Government of Burma also borrowed from the Indian market through Treasury Bills, the first auction being held on the 7th September when tenders for Rs. 30 lakhs of 4 months Treasury Bills were invited through the Bank's offices at Calcutta and Rangoon. The total amount of Burma Treasury Bills sold to the public during the year amounted to Rs. 90 lakhs at an average rate of Re. 0-12-8 per cent. per annum. Of this total Rs.9.75 lakhs were sold to applicants in Burma.

(Issue Department)

(000's omitted)

	1935	1936	1937
	Rs.	Rs.	Rs.
Liabilities—			
Notes held in the Banking Department	21,48.69	11,87.35	29,32.58
Notes in circulation	171.78,39	191.99,37	185.37,05
Total ...	193,27,08	203,86,72	214,69.63
Assets—			
Gold coin & bullion:			
Held in India	41.55,19	41,55.19	41,54,53
Held outside India	2,86,98	2.86,98	2.86,98
Sterling securities	66,18,83	71,51,05	80,30,70
Rupee Coin	57,11,64	64,75,67	62,56,45
Government of India Rupee securities ...	25,54,44	23,37,83	27,40,97
Internal bills of exchange and other Commercial Paper ...	Nil	Nil	Nil
Total ...	193,27.08	203,86,72	214,69,63

(Banking Department)

(000's omitted)

	Rs.		Rs.
Liabilities—			
Capital	5,00,00	5,00,00	5,00,00
Reserve Fund	5,00,00	5,00,00	5,00,00
Deposits:			
Government	6,04,51	7,14,12	9,76,81
Banks	28,34,:3	15,86.70	20,16,39
Others	26,45	27,61	1,26,43
Bills payable	11,30	8,81	11,65
Other liabilities	70,83	70,06	56,87
Total ...	45,47,32	34,07,81	41,87,15

	1935	1986	1987
	Rs.	Rs.	Rs.
Assets—			
Notes ...	21,48,69	11,87,35	29,32,59
Rupee coin ...	4,45	6,81	4,68
Subsidiary coin ...	4,29	2,85	3,79
Bills discounted:			
Internal ...	Nil	Nil	Nil
External ...	Nil	Nil	Nil
Government of India Treasury Bills ...	Nil	Nil	Nil
Balances held abroad ...	17,38,78	14,86,22	3,63,76
Loans and Advances to the Government ...	1,00,00	Nil	2,00,00
Other loans and Advances	...	39	2,00
Investments ...	5,29,25	6,16,31	6,24,08
Other assests ...	21,86	1,07,87	56,25
Total ...	45,47,32	34,07,31	41,87,15

* Includes Cash and Short-term securities.

IMPERIAL BANK OF INDIA

The Imperial Bank of India was constituted by special legislation in 1920 by the amalgamation of the three presidency banks and commenced business in January, 1921. Since the inauguration of the Reserve Bank of India in April 1, 1935, it is no more the Government's bank in the sense it was before. The Reserve Bank of India commenced operations in April 1, 1935, when it assumed control of the Government Currency Offices and Public Debt Offices and took over the Public Accounts Departments of the Imperial Bank in Bombay, Calcutta, Delhi, Madras and Rangoon. Elsewhere the Imperial Bank continues to conduct the Government Treasury business as agents of the Reserve Bank. With the coming into force of the Imperial Bank of India Amendment Act on 1st April, 1935, advantage was taken of the removal of restriction on business to establish Executor and Trustee Departments at the three local Head Offices and to expand the scope of the business in accordance with the extended Charter.

The Imperial Bank Advance rate remained unchanged at 3 per cent. The demand for money, although better than in the corresponding period of 1936, has been poor and the seasonal activity usually noticeable towards the end of the year has so far been absent on account of the movement of the crops being later than usual. The advances and internal bills discounted in India and

Burma of the Scheduled Banks, which stood at Rs. 123 crores on 2nd July, 1937, fell to Rs. 110 crores by end of September and have since remained at about that level. Deposits with the Scheduled Banks in India and Burma remained steady throughout the half-year at around Rs. 242 crores.

Profits have increased from Rs. 72,87,347 to Rs. 75,99,964. Nothing against Rs. 2.5 lakhs has been transferred to Reserve Fund ; Rs. 38,600 against Rs. 95,000 has been transferred to Pension Fund and Rs. 2,50,000 against the same to Premises Account. Cash and other balances have increased from Rs. 8,56,40,083 to Rs. 13,43,19,121 while there is a decrease of Rs. 4,94,86,939 in investments from Rs. 52,58,57,750 to Rs. 47,63,70,811. Dividend has been maintained at 12 per cent. per annum and the amount carried forward is higher at Rs. 30,41,606 against Rs. 28,02,642 at the end of the previous year. Year ending December.

(000's omitted)

	1935	1936	1937
Liabilities—	Rs.	Rs.	Rs.
Capital ...	5,62,50	5,62,50	5,62,50
Reserves ...	5,47,50	5,50,00	5,50,00
Deposits ...	79,09,17	78,79,50	81,08,07
Sundries ...	38,09	38,13	42,18
Profit & Loss Account	28,60	28,03	30,41
Total ...	90,85,86	90,58,16	92,93,16
Assets—			
Cash & other Items ...	19,58,64	8,56,41	13,43,1
Investments ...	46,87,73	52,58,58	47,63,70
Loans and Cash Credit	18,57,47	21,97,12	23,37,51
Bills discounted ...	3,00,38	4,78,81	5,99,3
Dead Stock ...	2,31,02	2,22,82	2,08,9
Sundries ...	50,62	44,42	40,37
Total	90,85,86	90,58,16	92,93,16
Percentage of Capital & Reserve to deposits	14·0	13·4	13·7
Percentage of Cash to Deposits... ...	24·8	10.6	16·5
Profit and Loss items—			
Brought forward ...	30,65	28,60	30,15
Net profit	80,42	72,87	76,00
Dividend Distribution	67,50	67,50	67,50
Allocation to funds ..	14,98	5,95	2,89
Carry Forward ...	28,60	28,03	30.42
Dividend per cent ...	12	12	12

INDIAN JOINT-STOCK BANKS

ALLAHABAD BANK LIMITED

The Allahabad Bank is one of the oldest of Indian joint stock banks, established in the year 1865. Its original Head Office was Allahabad, but since its affiliation to the P. & O. Banking Corporation about 10 years ago, its registered office has been transferred to Calcutta. The Allahabad Bank has devoted special attention to branch banking and finance of produce. Its branches are spread practically throughout the United Provinces and a good part of the Punjab. The bank has also branches at other important centres like Bombay, Rangoon, Karachi, Nagpur, etc. In the field of produce finance, it did considerable pioneer work ; and though new entrants into the field seek to cut in to its business, the facilities which the Allahabad Bank has always offered, and is ever in a position to offer, should retain for it, its own clients and connections and business.

During the year ended March, 1938, deposits were slightly higher at Rs. 10,77,24,828 against Rs. 10,47,85,510 in the previous year. In spite of the decrease in loans and advances from Rs. 5,89,58, 999 to Rs. 5,54,22,304 profits for the year were Rs. 10,37,942 against Rs. 8,87,271 previously. Cash shows a decrease of Rs. 8,00,707 at Rs. 1,59,60,167 and investments an increase of Rs. 78,62,871 at Rs. 4,26,23,845. Rs. 2,00,000 against Rs. 1,50,000 previously has been transferred to Reserve Fund and Rs. 2,00,000 against 1,50,000 has been transferred to Contingencies. The dividend and bonus have been maintained at 18 per cent. The amount carried forward is higher at Rs. 5,57,088 against 4,78,147 in the previous year. Year ending March.

(000's omitted)

	1935	1936	1937
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	35,50	35,50	3,550
Reserves ...	44,50	46,50	48,05
Provident Fund...	19,13	18,83	202,0
Deposits ..	9,76,36	10,47,86	10,77,25
Other items ...	5,94	9,88	6,52
Profit & Loss Account ...	8,33	10,61	12,87
Total ..	10,89,76	11,69,18	12,00,89

Assets—			
Cash ...	2,55,22	1,67,61	1,59,60
Investments ...	4,07,99	3,42,95	4,26,24
Loans, Advances, etc. ...	3,72,60	6,04,85	5,68,51
Property ...	44,05	44,73	44,35
Other items ...	9,90	8,99	1,49
Total ...	10,89,76	11,69,13	12,00,89
Percentage of Capital & Reserves to Deposits ...	8·2	7.8	7·8
Percentage of Cash to Deposits	26·2	16.0	14·8
Percentage of liquid assets to deposits ...	68·0	48.9	54·4
Profit and Loss items—			
Brought forward	4,98	4,03	4,78
Net profit ...	5,65	8,87	10,38
Dividend Distribution ...	4,59	4,59	4,59
Allocation to funds ...	2,00	3,00	5,00
Carry forward ...	4,03	5,31	5,57
Dividend Percent	18	18	18

BANK OF BARODA, LIMITED

The Bank of Baroda was founded in 1909 under the patronage of and largely supported by, the Government of H. H. the Maharaja of Gaekwar of Baroda. The Chairman of the Bank is Mr. Walchand Hirachand and the General Manager is Mr. W. G. Groundwater.

The year 1937 was an exceptionally good year for the bank. Deposits have slightly declined from Rs. 6,94,51,000 to Rs. 6,79,58,245, but loans and advances have increased from Rs. 2,49,72,000 to Rs. 2,86,24,084. Cash and other balances fell down from Rs. 1,22,23,000 to Rs. 1,07,49,337 as also investments from Rs. 3,59,63,000 to Rs. 3,12,12,958. There was a slight increase in profits from Rs. 4,55,695 to Rs. 5,96,682. The dividend has been maintained at 10 per cent. per annum. Rs. 1,50,000 against the same in the previous year has been transferred to Reserve Fund. The amount carried forward is higher at Rs. 68,506 against Rs 56,824 in the previous year. Year ending December.

(In 000's omitted)

		1935	1936	1937
Liabilities—		Rs.	Rs.	Rs.
Capital ...	...	80,00	80,00	80,00
Reserve Fund	...	22,50	23,50	25,00
Provident Fund	...	4,16	5,59	4,46
Deposits ...	.	5,77,39	6,94,51	6,79,58
Other items	...	5,59	1,91	2,44
Profit & Loss A/c.	...	3,56	3,85	5,04
Total	...	6,44,20	7,59,86	7,46,52
Assets—				
Cash ...	...	1,80,91	1,22,23	1,07,49
Investments	...	3,01,20	3,59,63	3,12,13
Loans & Advances	...	1,87,30	2,49,72	2,86,24
Property	...	22,23	23,68	23,82
Other items	...	2,56	4,10	17,34
Total	...	6,44,20	7,59,86	7,46,52
Percentage of total capital and Reserve to deposits	. .	9·1	7·7	8·1
Percentage of cash to deposits	..	22·7	17·6	15·8
Percentage of liquid assets to deposits	...	74·8	69 8	61·7
Profit and Loss Items—				
Brought forward	...	78	79	57
Net Profit	...	4,28	4,56	5,97
Dividend Distribution		3,00	3,00	3,00
Allocation to Funds...		1,00	1,50	1,50
Bonus to staff	...	27	28	35
Carried forward	...	79	57	69
Dividend Rate %	...	10	10	10

BANK OF HINDUSTAN LIMITED

The Bank was started in July, 1929, with an authorized capital of Rs. 25,00,000 and called and paid up capital of Rs. 10,00,000 in shares of Rs. 100 each and Rs. 50 paid up. It has got a powerful and influential Directorate with Mr. C. H. Divanjee as the Secretary. Deposits have risen from Rs. 37,96,813 to Rs. 47,35,134. Cash is lower at Rs. 9,60,058 owing to the sharp increase in advances and investments.

The object of the Bank is only to improve indigenous banking on modern lines in all its branches, including Trustee and Executorship business. In 1936 Pandit Vidya Sagar Pandya resigned his Managing Directorship due to failing health and he now continues as a Director at the request of the Board. The Bank has got 19 branches. Year ending December.

THE BANK OF BARODA, LIMITED

(Incorporated in Baroda in 1908, the Liability of Members being Limited.)

Under the Patronage of and Largely Supported by the Government of H. H. the Maharaja Gaekwar of Baroda.

Capital Subscribed	...	...	...	**Rs. 60,00,000**
Capital Called Up	...	...	...	**" 30,00,000**
Reserve Fund	...	...	...	**" 26,50,000**

Head Office: **BARODA.**

Calcutta Office: **11, CLIVE STREET.**

Branches: Ahmedabad (Bhadra), Ahmedabad (Panchkuva), Amreli, Bhavnagar, Billimora, Bombay, Calcutta, Dabhoi, Dwarka, Harij, Kadi, Kalol, Kapadwanj, Karjan, Mehsana, Navsari, Patan (N. Gujrat), Petlad, Port Okha, Sidhpur, Surat and Vyara.

London Agents: **THE EASTERN BANK LTD.**

Current Accounts, Fixed, Short, Savings Bank and Savings Bank Deposits received on terms which may be ascertained on application.

Loans, Overdrafts and Cash Credits.

The Bank grants accommodation on terms to be arranged against approved securities.

W. G. GROUNDWATER,
General Manager,

THE BANK OF INDIA, LTD.

Established 7th September, 1906

CAPITAL SUBSCRIBED	...	... Rs. 2,00,00,000.
CAPITAL PAID-UP	...	... Rs. 1,00,00,000
RESERVE FUND ...	...	... Rs. 1,08,00,000

Head Office: **ORIENTAL BUILDINGS, BOMBAY**

Branches:

Andheri Bullion Exchange Branch (Shaikh Memon Street, Bombay), Bandra (near Bombay), Kalbadevi Road, Malabar Hill (3/4, Hughes Road, Bombay), Colaba (Cusrow Baug), Ahmedabad, Ahmedabad (Station Branch), Calcutta, Calcutta (Bara Bazar), Poona, Poona City, Rajkot, Surat, Nagpur (Kingsway), Nagpur City.

London Agents: **THE WESTMINSTER BANK, LD.**

Directors:

Sir Chunilal V. Mehta, K.C.S.I., *Chairman.*
Mr. Ambalal Sarabhai.
Sir Joseph Kay, Kt.
Mr. Andrew Geddis.
Sir Cowasjee Jehangir, Baronet, K.C.I.E., O.B.E.
Mr. Dinsha K. Daji.
Mr. Ramniwas Ramnarain.

Current Deposit Accounts—Interest is allowed on daily balances from Rs. 300 to Rs. 1,00,000 @ ½% per annum. Interest on balances in excess of Rs. 1,00,000 allowed only by special arrangement. No credit will be given in account for interest amounting to less than Rs. 5 per half-year.

Fixed Deposits—Deposits are received fixed for one year or for shorter periods at rates of interest which can be ascertained on application.

Savings Bank—Accounts opened on favourable terms. Rules on application.

The Bank acts as Executor and Trustee under Wills and Settlements, and undertakes Trustee business generally.—Rules may be obtained on application.

General Banking Business transacted, rules for which can be obtained upon application.

A. G. GRAY
Manager.

(000's omitted)

	1935	1936	1937
	Rs.	Rs.	Rs.
Capital ...	10,00	10,00	10,00
Reserves ...	32	33	45
Deposits ...	30,48	37,99	47,85
Bills for collection as per contra ...	77	1,83	4,84
Other items ...	79	1,07	1,91
Profit and Loss Account ...	48	66	61
Total ...	42,79	51,88	65,16
Assets—			
Cash	9,21	11,08	9,60
Investments ...	3,00	1,00	5,73
Loans, Advances etc.	28,33	36,00	43,39
Premises ...	36	37	43
Bills for collection as per contra ...	77	1,83	4,84
Other items ...	1,12	1,60	1,17
Total ...	42,79	51,88	65,16
Percentage of total of capital and reserve to deposits ...	33·9	27·5	22·0
Percentage of cash to deposits ...	30·3	29·2	20·0
Percentage of liquid assets to deposits	42·6	31·8	32·4
Profit and Loss Items—			
Brought forward ...	6	3	3
Net profit ..	43	64	54
Dividend distribution	30	35	35
Allocation to funds ...	4	17	18
Carry forward ...	3	3	4
Dividend per cent ...	3	3½	3½

BANK OF INDIA LIMITED

The Bank of India, registered in 1906, is by far the most comfortably situated amongst Indian Banks. Its balance sheet is neat and natty and its business continues to function satisfactorily. The Bank of India has a most illustrious and influential Board of Directors with Sir Chunilal V. Mehta, K.C.S.I., as Chairman and Mr. A. G. Gray as the Manager.

The Bank experienced a successful year in 1937 with an alround increase in business. The Official Bank rate during the year was 3 per cent. The profit for the year was Rs. 21,62,406 against Rs. 20,63,182 in the previous year. The Bank has been able to the maintain the bonus of 1 per cent. per annum in addition to the dividend of 10 per cent.

Deposits increased from Rs. 16,99,94,277 to Rs. 17,13,71,170 but loans and advances

were slightly lower at Rs. 8,57,93,275 against Rs. 8,90,75,700. Investments stand at Rs. 6,98,46,197 against Rs. 7,62,33,689, while cash and other balances were higher at Rs. 3,43,27,067 against Rs. 2,41,60,700. The amount carried forward is higher at Rs. 7,64,578 against Rs. 6,87,172.

(In 000's omitted)

	1935	1936	1937
Liabilities—	Rs.	Rs.	Rs
Capital	1,00,00	1,00,00	1,00.00
Reserves .	1,04.00	1,05,00	1,09,00
Deposits	16 16,50	16,99,94	17.13,71
Other items .	1.13	1,07	1,21
Profit and Loss A/c	16,83	20,17	21,00
Total .	18,38,46	19,26,18	19,44,92
Assets—			
Cash ...	2,19,00	2,41,61	3,43,27
Loans & advances	8,10,65	8,90,76	8,57,92
Bills ...	11,22	17,01	34,56
Investments	7,85,73	7,62,34	6,98,43
Property etc.	11,86	14,46	10,74
Total	18,38,46	19,26,18	19,44,92
Profit and Loss Items—			
Brought forward ...	5,21	6,04	6,87
Net Profit ..	18,62	20,63	21,62
Dividend Distribution	11,00	11,00	11,00
Allocation to funds	4,00	6 50	6,50
Carry forward ...	6,04	6,87	7,65
Dividend per cent ...	11*	11*	11*

* Includes bonus of one per cent per annum.

BANK OF MYSORE, LIMITED

The Bank of Mysore was started in 1913 and its progress has been steady and satisfactory. The Reserves considerably exceed the total paid-up capital. The Bank experienced a successful year in 1937 unlike in 1936 and this was reflected in the profits which were Rs. 4,54,894 against Rs. 4,52,026 in the previous year. Deposits have increased from Rs. 2,33,03,151 to Rs. 2,56,58,300. Loans and advances have jumped to Rs. 1,65 lakhs from Rs. 1,55 lakhs. Bills discounted and purchased have also increased from 7 lakhs to 12.3 lakhs. Investments have swollen to Rs. 92,36,070 from Rs. 87,74,120, while cash stands at Rs. 34,80,138 against Rs. 29,41,598. Rs. 1,50,000 against the same previously has been transferred to the Reserve Fund. The dividend and bonus have been main-

tained at 12 per cent. and 2 per cent. respectively. The amount carried forward is higher at Rs. 1,15,526 against Rs. 1,10,290. Year ended December.

(000's omitted)

	1935	1936	1937
Liabilities—	Rs.	Rs.	Rs.
Capital ...	20,00	20,00	20,00
Reserve Fund ...	23,25	24,25	25,00
Staff Provident Fund	3,35	3,23	3,57
Deposits ...	2,13,84	2,33,03	2,56,58
Unclaimed Dividend	14	16	17
Profit and Loss ...	3,69	3,45	3,51
Total	2,64,27	2,84,12	3,08,83
Assets—			
Cash	44,52	29,42	34,80
Investments ...	61,70	87,01	92,86
Loans and advances	1,43,64	1,54,92	1,64,59
Bills discounted and purchased ...	10,62	7,11	12,26
Property etc.. ...	3,79	5,66	4,82
Total	2,64,27	2,84,12	3,08,83
Percentage of capital and reserve to total deposits ...	20·2	18·9	17·5
Percentage of liquid assets to total deposits ...	54·6	50·3	49·6
Percentage of cash to deposits ...	20·8	12·6	13·6
Profit and Loss Items—			
Brought forward ...	73	1,08	1,15
Net profits ...	5,11	4,52	4,51
Dividend distribution	2,80	2,80	2,80
Allocation to funds	1,75	1,50	1,50
Bonus to Staff ...	21	...	20
Carry forward ...	1,08	1,11	1,16
Dividend per cent.	12	12	12
Bonus	2	2	2

BENGAL CENTRAL BANK, LIMITED

The Bank was started in a small house at Lall Bazar. As business developed and increasing accommodation became necessary it was first shifted in 1927 to 15, Hare Street and again in 1931 to its present address at 86, Clive Street, Calcutta. In 1931 the Bank was made a member of the Calcutta Bankers' Clearing Association. This privilege had so long been denied to a Bengali Bank and the Association had been kept a close preserve for a small circle of European managed Banks with the exception of Central Bank of India Ltd., and Punjab National Bank Ltd. The other Indian Banks could only carry on business by the grace of clearing Banks and it was considered a hopeless task for any Bengali Bank to make any attempt to get into the circle. In fact the Bank could never have achieved any success in this discretion but for the support of Sir A. Osborne Smith, the then Managing Governor of Imperial Bank of India. The admission of this bank paved the way of other Indian Banks in getting themselves admitted later on as members of the Association. The Bank was also the first Bengali Bank to be scheduled to Reserve Bank of India.

During the year 1937, a sum of Rs. 7,179 has been added to the General Reserve which together with the Investment Reserve makes a total Reserve Fund of Rs. 2,60,902. The available total of the profit and loss account is Rs. 29,470. A dividend of five per cent. per annum has been paid and the balance carried forward.

(In 000's omitted)

	1937	1936	1935
Liabilities—	Rs.	Rs.	Rs.
Capital ...	4,86	4,50	4,01
Reserves ...	2,61	2,56	2,30
Deposits ...	69,90	64,85	55,16
Other items ...	1,71	68	..
Profit and Loss A/c	29	33	29
Total ...	78,37	72,92	61,76
Assets—			
Cash	17,56	21,81	16,67
Investments ...	16,61	14,19	7,86
Loans, Advances etc.	33,96	26,96	27,34
Premises etc. ...	8,94	9,04	9,04
Other items ...	1,30	92	85
Total ...	78,37	72,92	61,76
Percentage of Capital and Reserves to deposits ...	10·7	10·9	11·4
Percentage of Cash and Investments to deposits	25·1	33·6	30·2

CENTRAL BANK OF INDIA LIMITED

The Central Bank of India was started in 1911 mainly due to the efforts, enthusiasm and organising skill of the late Sir S. N. Pochkhanawala whose services to the bank were extremely valuable. The latter was fortunate in securing Sir Pherozshah Mehta as the first Chairman of the Bank. Equally lucky was he in having as his lieutenant Mr. A. S. Balsekar who has, in a large measure, shared all the stress and strain of this institution in the various stages of its

growth. The capital of the Bank was increased, in successive stages, till early in the last decade it stood at Rs. 50 lakhs paid-up. The amalgamation of the Tata Industrial Bank to itself brought up the capital to Rs. 1,68 lakhs so that the Central Bank has been, since then, the largest institution amongst the Indian joint stock banks. Its deposit figures also were higher than those of the others. In range of business, largeness of clientele, new and newer modes of service, the Central Bank has always been in the forefront. An institution, so flourishing and so steadfastly marching onwards, has had, necessarily, its distractors and even unreasoning critics. The Bank has come out successful in all the vexatious litigation to which some of its enemies have subjected it. This kind of persecution has meant the maintenance of an unduly large liquid position so as to be prepared for runs at any time. Excessive liquid assets mean lesser margin of profits. And runs mean disorganisation of normal business. The management of the Central Bank have had to contend against heaviest odds. Despite such difficulties, the progress of the Bank has been kept up. At all times, it has been ready and able to weather even the strongest storm. That it has stood up through good support and evil report and strengthened its position all the time, is a measure of its intrinsic vitality and its sound business methods; it also shows how much headier its growth would have been if it had been left to develop unharassed and unhampered.

The Bank is in the happy position of being able to report an increase in profits for the year ended December, 1937. Deposits have declined by Rs. 80,23,233 from Rs. 31,48,51,412 to Rs. 30,68,28,179. Loans and advances are Rs. 13,52,23,534 as against Rs. 11,98,35,078 in the previous year. The bank's liquid position has been maintained. Cash and other balances are Rs. 5,39,47,647, while investments stand at Rs. 13,58,63,536. The net profit is Rs. 26,85,046 an increase of Rs. 4,48,385 as compared with last year. The dividend has been maintained at 6 per cent., and the bonus has been increased from 1 per cent. to 2 per cent. Rs. 8,00,000 against Rs. 5,50,000 previous has been allocated to funds. The amount carried forward is higher at Rs. 8,67,515 against Rs. 5,52,525.

(000's omitted)

	1985	1936	1937
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	1,68,13	1,68,13	1,68,13
Reserve and other Funds ...	82,69	85,80	94,20
Deposits ...	27,78,41	31,48,52	30,68,28
Bills payable ..	3,46	6,37	5,40
Acceptances for customers as per contra	57,07	50,77	34,06
Bills for collection as per contra ...	67,05	82,01	87,03
Branch adjustments	18,15	32,33	28,76
Other items ...	11,57	10,25	5,20
Profit and Loss ...	12,46	12,25	17,08
Total ...	31,93,99	35,96,43	35,08,14
Assets—			
Cash	8,81,45	5.23,49	5,39,48
Investments ...	10,98,60	16,01,72	13,68,64
Loans & advances	9,52,51	11,98,35	13,52,23
Acceptances for customers as per contra	57,07	50,77	34,60
Bills receivable ..	67,05	82,00	87,03
Premises etc., ...	1,37,31	1,40,10	1,36,70
Total ...	31,93,99	35,96,43	35,08,14
Percentage of capital and reserve to deposits	11·0	8·1	8·5
Percentage of liquid assets to deposits ...	78·2	67·5	62·2
Percentage of cash to deposits	18·1	16·6	17·6
Profit and Loss Items—			
Brought forward ...	5,17	4,06	5,53
Net Profit ...	19,84	22,37	26,85
Dividend distribution	13,45	11,77	13,45
Allocation to funds	7,00	5,50	8,00
Carry forward ...	4,06	5,53	8,68
Dividend rate per cent ...	6	6†	6×

† 1 per cent Bonus.

× 2 per cent Bonus.

COMILLA UNION BANK, LIMITED

The Comilla Union Bank Ltd., was established in Comilla in the year 1922 and from a small beginning it has now come to the forefront of the Bengalee managed Banks. It is the first amongst the operative moffussil Bank of Bengal that was enlisted in the second schedule of the Reserve Bank of India Act, 1934 and was taken as a full fledged member of the Calcutta Clearing Banks' Association. The Bank devoted considerable attention to

FOR SERVICE AND SECURITY

COMILLA UNION BANK, LTD.

Estd 1922. *Founder*: Late Mr. I. B. DUTT, Ex. M.L.C., *Zemindar*

Head Office: COMILLA

And Branches at:

CALCUTTA (10, Clive St. and 139B, Russa Road)	CHANDPUR	RAJSHAHI	GAUHATI
DACCA	PURANBAZAR	PABNA	DIBRUGARH
NARAYANGANJ	CHITTAGONG	MYMENSINGH	JORHAT
NETAIGANJ	BAXIRHAT	BRAHMANBARIA	TINSUKIA
	BARISAL	BHAIRAB	DIGBOI

Deposits Exceed Rupees One Crore Twenty-five Lacs
Working Funds Exceed Rupees One Crore Forty-five Lacs
(As at 13th April, 1938)

Banking and Foreign Exchange business of all kinds (including sale and purchase of London and New York Drafts and issue of Letters of Credit on London and New York) transacted.

Rates of Deposits on application.

London Bankers: BARCLAYS BANK LIMITED
America Bankers: GUARANTEE TRUST CO. OF NEW YORK

Managing Director: Dr. S. B. DUTT, M.A., Ph.D. (Econ), London *Barrister-at-Law*

INDIAN BANK, LIMITED

(ESTABLISHED IN 1907)

Head Office: **MADRAS, North Beach Road**

LOCAL OFFICES:
ESPLANADE: Popham's Broadway
TRIPLICANE: Big Street, Triplicane.
MYLAPORE: North Mada Street.
THEAGAROYANAGAR: Prakasam Road
PURASAWALKUM: Purasawalkum High Road

BRANCHES: Adoni, Alleppey, Bangalore City' Bangalore Cantt., Bezwada, Bombay Cochin, Coimbatore, Colombo, Erode, Guntur, Jaffna, Karaikudi, Madura, Nandyal, Pudukottah, Quilon, Salem, Tiruppur, Tiruvarur, Trichur, Trichinopoly and Tuticorin.

SUB-OFFICES:
Gudivada, Tenali, Bhimavaram, Repalli, Tanuku, Duggirala, Narasaraopet and Udumalpet

Agents in all other Principal Towns in India and Burma

LONDON AND NEW YORK AGENTS:

THE NATIONAL CITY BANK OF NEW YORK

Subscribed Capital - - - - - -	Rs.	47,92,800
Called and Paid-up Capital - - -	,,	12,79,280
Reserve and other Funds - - - - -	,,	17,76,148
Reserve Liability of Shareholders - -	,,	35,13,520
Working Funds as on 30th June, 1938 -	,,	4,44,03,799

All General Banking Business including Foreign Exchange transacted

Rules of Business and other particulars can be had on application to any Office

N. GOPALA IYER, *Secretary*.

Branch Banking and has now 19 Branches scattered all over Bengal & Assam.

The Bank functioned satisfactorily during the year ended April 13, 1938, and is in the happy position of being able to report growth and expansion in every sphere. It appears from the Directors' report that the whole of the authorised and issued capital has been over subscribed as on the date of the last Balance Sheet. The paid up capital stood at Rs. 4,36,235 as against Rs. 3,52,190 at the end of the previous year. The authorised share capital has since been increased to 50 lakhs of rupees.

The total Reserves stand at Rs. 6,05,458 as against Rs. 5,67,344 of the previous year while the deposits stand at Rs. 1,25,36,743 as against Rs. 94,46,968 of the previous year. All these go to show the confidence the Bank has been able to create in the minds of the investing public. The figures of cash and banks balances at Rs. 25,61,872, and Investment in Government Securities, Treasury Bills, Reserve Bank shares and others at Rs. 21,58,363 reveal the inherent strength of the Bank.

During the year under review the working showed a net profit of Rs. 58,026 excluding the amount of Rs. 36,090 representing the income as share premium which has been carried to General Reserve. It is also building up a reserve against bad and doubtful debts. The rate of Dividend has been maintained at 12½% and the amount carried forward is larger at Rs. 12,326 against Rs. 10,581 brought in.

(000's omitted)

	1936	1937	1938
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	2,91	3,52	4,86
Reserves ...	3,31	5,67	6,05
Deposits ...	59,04	94,47	1,25,87
Other items ...	6,28	6,59	9,61
Profit & Loss Account ...	37	48	58
Total ...	71,91	1,10,73	1,45,97
Assets—			
Cash ...	8,96	25,15	25,62
Investments ...	11,75	14,30	22,94
Loans & Advances	44,96	65,01	88,77
Bills ...	3,42	2,54	8,25
Other items ...	2,82	3,73	5,39
Total ...	71,91	1,10,73	1,45,97

Percentage of capital and reserve to deposits ...	10·5	9·7	6·3
Percentage of cash to deposits ...	15·2	26·6	20·4
Percentage of liquid assets to deposits ...	35·1	41·7	38·7

INDIAN BANK, LIMITED

The Indian Bank Limited with its head office at Madras has 22 branches and sub-offices distributed throughout South India. Its subscribed Capital is about Rs. 48 lakhs while the paid-up capital is about Rs. 12.79 lakhs. The Reserve Fund, which was Rs. 9 lakhs in 1929 has grown to Rs. 13 lakhs in 1937. There is a Contingency Fund of Rs. 2.38 lakhs and a Dividend Equalisation Fund of 1.80 lakhs. Thus the total reserves are considerably in excess of the total Capital.

The Bank rate remained unchanged at 3 per cent. during the year. The Bank was able to employ its funds to the fullest extent in the second-half-year and as a result the profit in the second half-year was better than in the first half-year. It is noteworthy that practically the whole profit represents earnings through normal business, profit on investments being not even Rs. 10,000. Deposits were considerably higher at Rs. 3,30,01,076 against Rs. 2,98,85,594 in the previous year. Investments amount to Rs. 81,76,896 as against Rs. 70,05,368 and cash and other balances at Rs. 63,96,498 as against Rs. 64,68,761. Loans and advances have also increased from Rs. 1,95,69,681 to Rs. 2,20,95,474.

With the corresponding increase in loans and advances, the profits were higher at Rs. 2,42,665 against Rs. 2,39,058 in the previous year. The dividend has been maintained at 10½ per cent. per annum. The amount carried forward is slightly higher at Rs. 40,920 against Rs. 34,455. Year ending December.

	1935	1936	1937
Liabilities –	Rs.	Rs.	Rs.
Capital ...	12,79	12,79	12,79
Reserve and other funds ...	16,57	16,93	17,32
Deposits ...	2,62,49	2,98,86	3,30,01
Bills for collection	9,06	9,56	20,12
Other items ...			
Profit and Loss	6,75	4,21	2,09
Account ...	2,42	1,94	2,20
Total ...	3,10,08	3,44,29	3,94,53

THE INDO-COMMERCIAL BANK, LTD.

Regd. Office : MAYAVARAM **Central Office : MADRAS**

Authorised Capital Rs. 25,00,000 **Issued and Subscribed Capital Rs. 21,25,000**
Paid-up Capital Rs. 17,54,368

MADRAS OFFICES :

ARMENIAN ST., CHINA BAZAAR ROAD, MAMBALAM, MYLAPORE & TRIPLICANE

BRANCHES :

Berhampore	Kumbakonam	Tanjore	Tuticorin
Chidambaram	Madura	Tinnevelly	Vellore
Coimbatore	Negapatam	Tiruppatur	Virudhunagar
Ellore	Palghat	Tiruppur	Vizagapatam
Erode	Pudukottah	Tiruvarur	and
Karaikudi	Salem	Trichinopoly	Vizianagaram

SUB-OFFICES:

Amdalavalsa	Conjeevaram	Parvatipuram	Shiyali
Anakapalle	Gobichettipalayam	Salur	and
Aruppukkottai	Maruter		
Bhavani	Palakol	Shevapet	Tadepalligudem

BOARD OF DIRECTORS:

T. R. Venkatarama Sastri, C.I.E.
N. V. Raghavan, Retd. Acct.-Genl.
V. Venkataraman, M.A., B.L.
K. Subbaiyer
R. Viswanathan, B.A., B.L.
R. S. A. Sankara Iyer
K. Sivaswami
S. N. N. Sankaralinga Iyer (*Managing Director*)

PROSPERITY OF A NATION DEPENDS ON SOUND BANKING

THE CENTRAL BANK OF INDIA, LIMITED, is a purely National Institution managed entirely by Indians. It is the largest Joint Stock Bank established in India and has the largest amount of deposits held by a Joint Stock Bank in India.

Capital Subscribed	Rs. 3,36,00,000
„ Paid-up	„ 1,68,00,000
Reserve and Contingency Fund . .	„ 75,00,000
Deposits Exceed	„ 30,50,00,000

Managing Director & Chairman—SIR PHIROZE SETHNA, KT., O.B.E.
Head Office—*BOMBAY.* — *Branches & Agencies*—Throughout India.
London Agents : BARCLAYS BANK LD. — *New York Agents* : GUARANTY TRUST CO.

Transacts Banking Business of Every Description.

Special Features:—3 Years' Cash Certificates, Home Savings Book Banks, Endowment and Whole Life Insurance for the benefit of Home Savings Depositors, 5 and 10 tola Gold Bars, Travellers' Cheques issued all over India, Executor Trustee Services, etc., etc.

For further particulars please apply at any of our Branches:

CALCUTTA BRANCHES:

Main Office—100, CLIVE STREET

New Market Branch—10, Lindsay Street **Barabazar Branch—71, Cross Street**
Shambazar Branch—133, Cornwallis St. **Bhowanipore Branch—8A, Russa Rd.**

Branches in Bengal and Bihar :

at DACCA — NARAYANGANJ — JALPAIGURI — JAMSHEDPUR — MUZAFFARPUR

Assets—			
Cash ...	80,55	64,69	63,96
Investments ...	80,29	70,05	81,77
Loans, Advances etc. ...	1,33,63	1,95,70	2,20,95
Bills for collection	9,06	9,56	20,12
Premises, etc.	1,42	2,09	3,36
Sundries ...	5,13	2,20	4,37
Total ...	3,10,08	3,44,29	3,94,53
Percentage of Capital and Reserves to deposits ..	11·2	9·9	
Percentage of Cash to deposits	30·7	21·6	
Percentage of liquid assets to deposits ...	64·8	45·8	
Profit and Loss Items—			
Brought forward	60	32	34
Net profit ...	2,59	2,39	2,43
Dividend distribution ...	1,92	1,34	1,34
Allocation to funds ...	78	92	78
Bonus to staff ...	17	Nil	24
Carry forward ...	32	34	41
Dividend rate %	15	10½	10½

INDIAN OVERSEAS BANK

Started early in 1937 the Indian Overseas Bank has made an impressive beginning. The Bank has been formed mainly to finance and develop trade, commerce and industry between India, Burma, Federated Malaya States, the Straits Settlements and Ceylon in particular and between countries outside India in general.

The representative character of the Directorate, their position, status and business capacity and the encouragement assured by the commercial community have been mainly responsible for the success of the Bank even from the beginning.

The Bank commenced business at Madras and Karaikudi on February 10, 1937 and other branches of the Bank were opened at Penang, Sivaganga and Rangoon on July 5, 1937, September 6, 1937 and November 10, 1937 respectively. All expenses incidental to the opening of the branches have been charged to the Profit and Loss Account.

The net profit for the year ended December, 1937 after allowing for depreciation of Rs. 697 amounted to Rs. 1,455. Deposits at the end of 1937 were Rs. 47,09,282. There has been a substantial improvement since then and the figures at the present moment are much higher. A synopsis of the balance sheet as at December, 1937, is given below:—

	As on 31-12-1937 Rs.
Liabilities—	
Capital	12,49,875
Deposits	47,09,282
Bills discounted ..	78,679
Other items ...	5,46,819
Profit and Loss Account	1,454
Total	65,86,109
Assets—	
Cash ...	12,06,767
Investments	9,63,742
Advances, etc.	41,30,988
Bills ...	78,679
Other items	2,05,933
Total	65,86,109

INDO-COMMERCIAL BANK, LIMITED.

The Indo-Commercial Bank was started on November 17, 1932. The objects of the bank were "to start and work an up-to-date bank to serve the needs of the country by incorporating the economy and adaptability of the indigenous bankers and modern methods of Western institutions," as recommended by the Central Banking Enquiry Committee. The progress of the bank has been very satisfactory and it is at the present day one of the leading banks in South India. The total paid-up capital at the end of June, 1938, stood at Rs. 15,78,520. Deposits are Rs. 1,26,32,443. Loans and advances are higher at Rs. 1,12,61,131. Cash and other balances amount to Rs. 21,73,221 against Rs. 20,68,346 in the previous year, while investments stand at Rs. 32,91,508 against Rs. 52,90,870. The profit for the half-year ended June, 1938 slightly lower than that for 1937 at Rs. 97,170 against Rs. 71,997. The dividend has been maintained at 6 per cent. per annum and the amount carried forward is lower at Rs. 421 against Rs. 35,239.

(In 000's omitted.)

	1935	1936	1937
Liabilities—	Rs.	Rs.	Rs.
Capital	10,88	11.82	12,04
Reserve Fund ..	27	27	85
Deposit and Other accounts ...	51,89	1,05,86	1,48,91
Bills for collection ...	2,54	3,78	6,38
Other items ...	1,60	5,77	6,46
Profit & Loss Accounts	49	1,03	1,18
Total	67,67	1,28,03	1,70,82
Assets—			
Cash	12,89	20,09	20,68
Investments ...	23,69	50,55	52,91
Loans	26.96	50,09	86,85
Bills for collection as per contra ...	2,54	3,78	6,38
Property ...	71	94	1,65
Other items ...	98	2,58	2,35
Total ...	67,67	1,28,03	1,70,82
Percentage of capital and reserve to deposits	21·5	11·5	7·2
Percentage of cash to deposits ...	25·0	19·1	14·4
Percentage of liquid assets to deposits ...	75·4	67·04	51·2
Profit and Loss items—			
Brought forward ...	1	6	
Net Profit ...	72	1,29	1,53
Dividend Distribution	53	65	71
Allocation to funds ...		63	70
Dividend per cent ...		6	6

PUNJAB NATIONAL BANK, LIMITED

The Punjab National Bank was found-42 years ago on the initiative of the late Sardar Dyal Singh Majithia. To-day the bank employs about 1,300 persons and has forty-seven branches and ten sub and pay-offices of its own spread throughout the country. The bank has passed through many financial storms but has always come out successfully.

Being one of the big five in Northern India, the Punjab National Bank during recent years has made good progress.

The transactions for the half-year ended June, 1938, resulted in a profit of Rs. 4,50,869 to which has to be added Rs. 30,255 brought forward from the previous half-year. This makes the total sum of Rs. 4,81,124 out of which Rs. 74,932 was written off bad debts while an additional sum of Rs. 2,50,000 was provided for writing off bad debts. Rs. 40,000 has been provided for Income-tax. The dividend has been maintained at six per cent. per annum. The amount carried forward is Rs. 24,962.

The Chairman of the Bank is Mr. R. B. Dewan Badri Das, M.A., L.L.B., Mr. M. L. Tannan, the General Manager, joined the bank in October 1937.

(000's omited.)

	1937	1936	1935
Liabilities—	Rs.	Rs.	Rs.
Capital ...	31,89	31,87	31,84
Reserves ...	21,52	21,57	21,57
Deposits ...	6,96,47	6,09,88	5,47,08
Bills for collection as per contra	49,07	46,83	38,27
Other Items ...	30,74	73,63	48,03
Profit and Loss Account .	1,41	1,23	1,17
Total ...	8,30,60	7,84,51	6,87,46
Assets—			
Cash ...	62,57	56,90	58,76
Investments ...	2,04,10	1,90,44	1.95,11
Advances etc. ...	3,95,18	3,66,81	2,85,60
Bills as per contra	49,07	46,83	38,27
Premises etc. ...	99,20	94,93	90,90
Other Items ...	20,48	31,10	18 82
Total ...	8,30,60	7,84,51	6,87,46
Percentage of Capital and Reserves to deposits.	6.7	8.7	9.7
Percentage of Cash and investments to deposits.	38.3	40.6	46.4

UNION BANK OF INDIA, LIMITED

The Union Bank of India Limited was started in 1919 ; and the capital in the earlier years was Rs. 60 lakhs paid up. What with all the competition offered by the numerous banks in the City, the Union Bank could not make any headway. The Bank was also unfortunate in regard to some of the investments, and particularly in regard to the building which it purchased for its office. In 1922-23, however, the Central Bank of India secured a controlling interest in the Union Bank by purchasing a considerable number of the shares of the latter, as a result of which the Central Bank of India Ltd. was appointed as the Managing Agents. The result is that the Union Bank is the unique instance of a bank being managed by another bank as managing agents. Soon after the transfer

of the management to the Central Bank, a reconstruction of capital was effected, so that the present position is that the paid up capital is Rs. 40 lakhs. Bad investments were provided for in the writing down of capital as well as the difference between the purchase price and the intrinsic value of the building. The Union Bank has not set before itself any high-sounding or ambitious programme but carries on a simple, straight-forward business in a small, but sure, way.

The position of the Bank has improved very much during recent years. Deposits have increased to Rs. 1,06,09,115 from Rs. 1,04,24,489. Loans and advances are higher at Rs. 64,20,628 against Rs. 56,06,823. Investments were slightly lower at Rs. 73,68,138 against Rs. 74,37,194 and the cash balance was also lower at Rs. 17,40,232 against Rs. 22,54,585. The profit for the year ended March, 1938 has increased by Rs. 38,076 to Rs. 3,03,124.

Owing to increased profits, the dividend declared was slightly higher at four annas six pies per share as against four annas in the previous year. Rs. 10,000 is written off Premises Account ; Rs. 25,000 is transferred to Reserve Fund and Rs. 25,000 to Dividend Equalisation Fund. The amount carried forward was slightly lower at Rs. 1,02,301 against Rs. 1,03,614. Year ended March.

(000's omitted)

	1936 Rs.	1937 Rs.	1938 Rs.
Liabilities—			
Capital	39,90	39,90	39,90
Amount received on forfeited shares	5	5	5
Reserve Fund ...	7,00	7,25	7,50
Deposits	99,30	1,04,24	1,06,09
Bills for collection ...	21	66	62
Other items ...	1,07	1,74	1,20
Profit and loss A/c. ...	3,48	3,58	4,07
Total ...	1,51,01	1,57,42	1,59,43
Assets—			
Cash	29,17	22,55	17,40
Investments ...	63,37	73,43	73,68
Loans & Advances .	54,00	56,07	64,21
Bills receivable ...	21	66	62
Bank premises ...	3,50	3,40	3,30
Other items ...	76	1,31	22
Total	1,51,01	1,57,42	1,59,43
Percentage of total of capital and reserve to deposits ..	47·3	45·2	44.7
Percentage of cash to deposits ...	29·4	21·2	16·4
Percentage of liquid assets to deposits ...	93·4	92·1	85,9

Profit and Loss items—

Brought forward ...	85	93	1,04
Net Profit ...	262	265	3,03
Dividend Distribution	200	200	2,24
Allocation to funds .	25	25	50
Carry forward ...	93	104	1,02
Dividend per cent .		5	20%

INDIAN CO-OPERATIVE BANKS :

BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK LIMITED

The Bihar and Orissa Provincial Co-operative Bank, registered under the Co-operative Societies Act II of 1912, has a paid-up capital of Rs. 6,11,400. Reserve funds amount to Rs. 7,74,884. The Bank experienced another unsatisfactory period during the year 1937. The Central Banks, as before, have shown little progress in recoveries and consequent arrears to them in principal as well as in interest have increased during the year. The policy of taking over the management of some of the weak central banks which were thus heavily indebted to them has proved to be of advantage in making their management more efficient than hitherto. The directors, after taking 4 central banks in the previous year, have decided to take over the management of five more central banks in the succeeding year. Deposits have fallen further from Rs. 75 lakhs to Rs. 69 lakhs which are mainly due to the loss of credit of Co-operative Banks arising out of the inability of some of the central banks to meet their liabilities. This withdrawal necessitated the sale of government securities of the value of Rs. 8 lakhs. Thus investments have fallen from Rs. 36 lakhs to Rs. 28 lakhs. The Bank earned over this a premium of Rs. 36,914. This premium together with the amount received from the income-tax office as refund of income-tax amounting to Rs. 35,135 and the balance available in the rebate account have been transferred to the Contingency Reserve Account during the year under review. No dividend has been declared this year too. The amount carried forward is higher at Rs. 98,395 against Rs. 79,017 in the previous year.

The profit was Rs. 29,673 as against Rs. 36,523 in the previous year and Rs. 90,094 in 1935. The profit was considerably low due to the substantial concessions in rates given to Central Banks to safeguard their investments. Year ending December.

(In 000's omitted)

	1935 Rs.	1936 Rs.	1937 Rs.
Assets—			
Capital .	6,11	6,11	6,11
Reserves ...	7,09	7,21	7,75
Deposits ...	77,70	75,01	68,94
Other items ...	20,08	21,01	18,47
Profit & Loss Account	57	79	98
Total ...	1,11,55	1,10,18	1,02,25
Liabilities—			
Cash ...	76	66	40
Investments	39,99	36,19	28,10
Loans & Advances	62,72	64,21	64,01
Other items	7,53	8,52	9,22
Property, etc.	55	55	52
Total	1,11,55	1,10,13	1,02,25
Profit and Loss Items—			
Brought forward ...	2	57	79
Net Profit ...	90	87	30
Allocation to funds ...	30	12	10
Dividend distribution	Nil	Nil	Nil
Carry forward ...	57	79	98
Dividend per cent ...	Nil	Nil	Nil

BOMBAY PROVINCIAL CO-OPERATIVE BANK, LIMITED

Amongst the central provincial co-operative banks, the Bombay Provincial Co-operative Bank occupies an important place alike by the vastness of its resources, the wide sphere of its activity and the genuine spirit of co-operation actuating those at the helm of affairs. The Bank has a fine net work of branches, there being over thirty branches. It completed 25 years of its working on the 11th October, 1936. To mark the occasion in a suitable manner, out of the profits of the year under report an additional dividend at the rate of 1 per cent. per annum was allowed to the members. A special bonus to the Staff and a special rebate to the borrowing societies have also been allowed. The Chairman of the Bank is Sir Chunilal V. Mehta.

As there has not been any substantial increase in commodity prices there has been no expansion of the normal business of the bank. Deposits have fallen by Rs. 12,16,444 to Rs. 1,93,14,264 from Rs. 2,05,30,708 while loans and advances have jumped from Rs. 85,62,840 to Rs. 91,35,083. Cash and other balances stand at Rs. 80,40,685 against Rs. 80,95,868 and investments at Rs. 63,78,905 against Rs. 80,30,544. The profit for the year ended June, 1937 was Rs. 98,742 against Rs. 1,28,808 previously. The decrease in profits is mainly brought about by the reduction which was effected during the year in the rates of interest charged by the Bank on advances to primary societies. Another contributing factor was the lower yield obtained on the Bank's investments in securities and on the deposits with approved banks. The dividend declared is 5 per cent. with a Silver Jubilee bonus of 1 per cent. as against only 5 per cent. in the previous year. Rs. 27,273 against Rs. 41,858 is the amount carried forward. Year ended June.

(000's omitted)

	1935 Rs.	1936 Rs.	1937 Rs.
Liabilities—			
Capital ...	12,97	12,97	12,98
Debenture ...	12,80	12,80	12,80
Reserve funds ...	14,89	15,92	16,44
Deposits ...	1,74.56	2,05,31	1,93,14
Bills for collection as per contra ...	1,11	1,39	1,65
Other items ...	5,09	5,82	5,71
Profit and Loss ...	2,12	1,48	1,41
	2,23,04	2,55,64	2,44,18
Assets—			
Cash ...	60,69	80,96	80,41
Investments ...	64,88	80,31	63,79
Loans and Advances	90,60	85,63	91,35
Bills Receivable as per contra ...	1,11	1,39	1,65
Property, etc. ...	46	43	42
Other items ..	5,80	6,92	6,51
Total	2,23,04	2,55,64	2,44,13
Profit and Loss Items—			
Brought forward ...	15	14	42
Net Profit ...	1,97	1,29	99
Dividend distribution	81	65	65
Allocation to Funds	100	23	10
Carry forward ...	14	42	27
Dividend per cent.	5	5	6*

*Includes Silver Jubilee Bonus of 1 per cent.

THE MADRAS PROVINCIAL CO-OPERATIVE BANK LTD.

The Madras Provincial Co-operative Bank is, perhaps, the most puissant of the Provincial Co-operative Central Banks. The President of the bank is Mr. V. Ramdas Pantulu and the Acting Secretary is Mr. T. Raghavendra Raw. The Bank has a Reserve Fund of Rs. 16 lakhs, a Building Fund of Rs. 15,185 and a Depreciation Reserve Fund of Rs. 3.25 lakhs. Cash and other balances have decreased from Rs. 18,28,033 to Rs. 14,13,376.

Deposits have slightly increased by Rs. 1,84,896 from Rs. 1,65,18,105 to Rs. 1,67,02,681.

The profits for the year ended June, 1937 are lower at Rs. 1,97,722 against Rs. 2,02,267 in the previous year, Rs. 49,430 being one-fourth of the net profit is transferred to Reserve. Rs. 14,826 against Rs. 15,000 is transferred to Common Good Fund, Rs. 29,650 against Rs. 25,000 to Building Fund, Rs. 50,000 against Rs. 25,000 to Depreciation Reserve, and Rs. 569 against Rs. 24,433 to Reserve Fund. The dividend declared is maintained at 9 per cent. per annum and the amount carried forward is Rs. 25,699 against Rs. 36,238 previously. Year ending June.

(In 000's omitted)

Liabilities—	1935 Rs.	1936 Rs.	1937 Rs.
Capital	6,59	6,59	6,59
Reserve	14,50	15,25	19,40
Other Funds ..	4.22	4,77	3
Debentures ...	2,15	2,15	2,15
Provident Fund ...	1,15	90	1,00
Deposits	1,46,19	1,65,18	1,67,03
Other items ...	14,17	3,11	2,67
Profit & Loss Account	2,47	2,40	2,34
Total ..	1,91,44	2,00,35	2,01,26
Assets—			
Cash	4,62	18,28	14,13
Investments ...	1,52,51	1,44,38	1,42,48
Loans, Advances, etc.	31,81	35,11	44,41
Lands	18	18	18
Other items ...	2,31	2,40	6
Total	1,91,44	2,00,35	2,01,26
Profit & Loss Items—			
Brought Forward ...	42	37	36
Net Profit ...	2,04	2,02	1,98
Dividend Distribution	59	59	59
Allocation to funds	145	140	95
Carry forward ...	37	36	26
Dividend per cent ...	9	9	9

BRITISH BANKS

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

Among the Eastern Exchange Banks operating in India, the Chartered Bank of India, Australia and China, is a premier institution, alike in the size of its capital and the extent of its banking resources. The bank was founded in 1853 and is one of the few banks which are at present operating under Royal Charter. It has a widespread branch organisation in India, Dutch East Indies, China, Japan and Federated Malay States and has important offices in New York and Hamburg. It owns nearly 80 per cent. of the capital of the P. & O. Banking Corporation and through it, controls the Allahabad Bank.

The net profit for the year ended December, 1937 is lower at £491,065 against £496,682 in the previous year. Deposits amount to £49,741,351 against £48,184,255, while loans and advances have slightly increased from £20,599,361 to £20,795,843. Investments have declined from £25,456,080 to £23,610,810. Cash and other balances are £7,159,586 against £6,602,898. £35,000 against the same previously is transferred to Officer's Pension Fund and £40,000 against the same is transferred to Contingencies Fund. The dividend, has been maintained at 14 per cent. per annum. The amount carried forward is lower at £178,785 against £182,020 brought in.

(000's omitted)

	1935 £	1936 £	1937 £
Liabilities—			
Capital	3,000	3,000	3,000
Reserve Fund ...	3,000	3,000	3,000
Notes in circulation ...	1,685	1,609	1,689
Deposits	45 986	48,184	49,741
Bills payable ..	1,699	1,992	2,641
Acceptances on customer's account ...	593	1,658	468
Other items ...	3,129	4,597	3,136
Profit & Loss Account	466	468	464
Total ...	59,558	64,508	64,139
Assets—			
Cash	5,261	6,603	7,160
Investments ...	19,439	23,141	21,294
P & O Banking Corporation	2,313	2,316	2,317
Bills of Exchange including Treasury Bills	8,946	8,239	10,159
Bills & Loans ...	21,117	20,599	20,796
Acceptances for customers	5,93	1,658	468
Bank Premises ...	1,585	1,552	1,870
Other Items ...	304	408	75
Total ...	59,558	64,508	64,139
Percentage of capital & reserve to deposits	13·0	12·5	12·1
Percentage of cash to deposits	11·4	13·07	14·4
Percentage of liquid assets to deposits ...	73·2	61·7	57·2

Profit and Loss Items—			
Brought forward ...	177	181	183
Net Profit	499	497	491
Dividend Distribution	420	420	420
Allocation to funds ...	75	75	75
Carry forward ...	181	183	179
Dividend... ...	14	14	14

EASTERN BANK LIMITED

The Eastern Bank, a comparatively late entrant into the field of Eastern Exchange, was founded in 1909 and has established branches not only in India but in Mesopotamia, Singapore and Ceylon.

The net profit for the year 1937, after providing for income-tax, National Defence contribution, directors' fees and special remuneration £9,000 and after appropriations to the Contengencies Account, is £127,173 against £131,866 in the previous year. Deposits have decreased from £7,771,799 to £7,717,024, while there was a good increase in the total advances from £2,756,901 to £3,304,357. Investments show a decrease of £720,906 at £5,363,332, while cash and other balances stand at £1,107,066. £50,000 against the same previously has been allocated to funds. The dividend has been maintained at 7 per cent., less income-tax. The carry forward is higher at £81,191 against £74,018 in the previous year. Year ending December.

(000's omitted)

	1935	1936	1937
Liabilities—	£	£	£
Capital	1,000	1,000	1.000
Reserve Dund ...	500	500	500
Deposits ...	6,800	7,772	7,117
Bills of Acceptance	982	950	777
Loans payable against Bills and securities	1,165	1,470	1,462
Other items ..	45	49	29
Profit and Loss A/c	147	164	171
Total ...	10,639	11,905	11,921
Assets—			
Cash	1,202	1,128	1,107
Investments ...	5,612	6,084	5,401
Bills receivable ..	514	950	1,165
Customer's Liabilities for Acceptances ...	783	774	777
Loans and Advances	2,268	2,757	3,304
Property	193	163	155
Other Items ..	67	49	12
Total ..	10,639	11,905	11,921

Percentage of total of capital and reserves to deposits ...	22·6	19·3	21·1
Percentage of cash to deposits ...	17·7	14·5	15·6
Percentage of total liquid assets to deposits ...	107·8	92·7	91·4
Profit and Loss Items—			
Brought forward ...	52	62	74
Net Profit ...	125	132	127
Dividend distribution	60	70	70
Allocation to funds ...	55	50	50
Carry forward ...	62	74	81
Dividend rate percent	6	7	7

GRINDLAY & COMPANY, LTD.

Grindlay and Company, which was founded in 1928, caters mainly for the Indian service, at Bombay, Calcutta, Simla, Delhi, New Delhi, Lahore, Peshawar City, Peshawar Cantonment, Quetta and Karachi. The bank is controlled by the National Provincial Bank, which acquired the partners' interests in 1923. The partnership was converted into a private limited liability company in 1924 under the name of Grindlay and Company, Limited, with a paid-up capital of £250,000.

The company's deposits have shown a steady upward trend over the past decade, the only setback having been in 1931, which was, of course, an exceptional year. Much of the increase in resources has been employed in investments, which consisted mainly of India Government Securities of £850,982, British Government Securities of £439,906 and Colonial Government stocks of £172,190. Provision for doubtful debts and reserve for contingencies were, as in previous years, included in deposits.

	1935	1936	1937
Liabilities—	£	£	£
Capital ...	250,000	250.000	250,000
Reserve Fund ...	100,000	100,000	100,000
Deposits ...	3,343,062	3,435,858	3,535,188
Acceptances etc.,	171,274	160,409	444,565
Total ...	3,864,336	3,946,267	4,329,753

Cash	...	217,002	251,892	287,779
Call money	...	152,500	180,000	145,000
Investments	...	1,962,229	1,867,487	1,663,801
Loans, bills etc.,		1,307,264	1,482,790	1,781,817
Acceptances as per contra	...	171,274	160,409	444,565
Premises	..	54,067	54,189	56,791
Total	...	3,864,336	3,946,267	4,829,758

HONGKONG & SHANGHAI BANKING CORPORATION

The Hongkong & Shanghai Banking Corporation owes its existence to a special ordinance of the Legislative Council of Hongkong in 1867. The Bank has a particularly strong reserve position, there being a sterling reserve of £6.5 million.

The balance sheet of the Bank for the year ended December 31, 1937 shows a general expansion which may to some extent be attributed to the sudden increase in the trade of Hongkong following the Japanese invasion of China. The principal change is in the note issue which has increased by about $72,500,000. Hongkong Government certificates of indebtedness are just over $170 millions as cover for the excess issue. The Hongkong Government now publish at stated periods the condition of the currency fund, from which it can be seen that well over 100 per cent. cover is held by them against the certificates of indebtedness which the Bank holds. It is a great satisfaction to know that the banks' liabilities to the public is well secured. The effect of a flight of Chinese capital to the colony may be seen in the increase in current accounts from $649,329,397 to $700,263,010. Bills payable are up about $6,750,000 while fixed deposits are down by $29 millions. On the assets side, cash with certificates of indebtedness is up by $61 millions, securities $23 millions, bills receivable up by $46 millions, while loans are down by $26 millions. In spite of the clash between the two great Powers with which the Bank is closely associated in Eastern trade, the result of the years' working must be considered highly satisfactory, the net profit amounting to $15,432,217 as against $15,107,175 for 1936. The directors are conservative in their dividend policy and the dividend has been maintained at £5-10-0 per share. As in the preceding year, $1,000,000 is allocated to the reduction of Bank Premises Account and the carry forward is raised from $3,340,790 to $3,383,005.

(000's omitted)

		1935 $	1936 $	1937 $
Liabilities.				
Capital	...	20,000	20,000	20,000
Sterling reserve		99,840	104.874	104,874
Silver reserve	...	10,000	10,000	10,000
Notes in Circulation	..	119,011	127,636	200,254
Deposits, etc	...	776,160	837,944	860,160
Bills payable	..	12,424	14,822	21,501
Acceptances on Account of constituents		2,366	3,307	3,409
Profit and Loss Account	...	11,700	12,085	12,127
Total		1,051,501	1,130,668	1,282,325
Assets				
Cash and bullion		196,091	197,465	87,821
Investments		262,233	301,420	494,944
Loans and Advances, etc.	...	435,863	493,813	467,315
Bills receivable		132,777	112,891	158,535
Constituents as per contra		2,366	3,307	3,409
Bank premises	...	22,171	21,772	20,801
Total		1,051,501	1,130,668	1,232,325
Percentage of capital and reserves to deposits and notes in circulation	...	14·5	14·0	12·7
Percentage of cash to deposits and notes in circulation		21·9	20·5	8·2
Profit and Loss Items—				
Brought forward	...	3,295	3,395	3,391
Net profit	..	15,386	15,107	15,432
Dividend distribution	..	10,996	14,014	14.309
Allocation to funds		1,000	1,000	1,000
Carry forward	...	3,327	3,341	3,383
Dividend per share		£5½	£5½	£5½

LLOYDS BANK LIMITED

Lloyds Bank, the second largest commercial bank in England, was incorporated in 1865 as an amalgamation of two Birmingham banks. By 1913 it had acquired 45 other banks, and had, largely through these absorptions, widely distributed branches in 45 of the 52 counties, including offices in the Metropolitan area. In 1918 the Company absorbed the Capital and Counties Bank, a purchase which greatly strengthened its position in London and gave it 473 additional branches, including 259 in the Eastern countries and other areas in which it had previously been almost entirely unrepresented. In the same year it further extended its territory by acquiring control of the

MERCANTILE BANK OF INDIA, LIMITED

(INCORPORATED IN ENGLAND)

Authorised Capital	**£3,000,000**	**Paid-up Capital**	**£1,050,000**
Subscribed „	**£1,800,000**	**Reserve Fund**	**£1,075,000**

LONDON BANKERS :

THE BANK OF ENGLAND and THE MIDLAND BANK LTD.

HEAD OFFICE:

NO. 15, GRACECHURCH STREET, LONDON, E. C. 3.

BRANCHES and AGENCIES:

Calcutta	Madras	Singapore	Kuala	Bangkok
Howrah	Rangoon	Ipoh (F.M.S.)	Trengganu	Hong Kong
Delhi	Colombo	Kuala Lumpur	Kota Bharu	Shanghai
Simla	Kandy	(F.M.S.)	(Kelantan)	Mauritius
Karachi	Galle	Kuala Lipis	Kuantan	New York
Bombay	Penang	(F.M.S.)	(Pahang)	(U.S.A.)

The Bank transacts banking business of every description throughout the world. Current Accounts opened.

FIXED DEPOSITS

Deposits are received for fixed periods on terms which may be ascertained on application. The Bank undertakes Trusteeships and Executorships.

N. WILKS, *Manager*

Clive Buildings, 8, Clive Street, CALCUTTA

Howrah Agency—11, Grand Trunk Road, MAIDAN

NATIONAL BANK OF INDIA, LIMITED

(INCORPORATED IN UNITED KINGDOM)

BANKERS TO THE GOVERNMENT IN KENYA COLONY & UGANDA

SUBSCRIBED CAPITAL	... £4,000,000
PAID UP CAPITAL	... £2,000,000
RESERVE FUND ...	... £2,200,000

HEAD OFFICE : 26, Bishopsgate, LONDON, E.C.2.

INDIA

Calcutta, Bombay, Madras, Karachi, Chittagong, Amritsar, Cawnpore, Delhi, Lahore, Tuticorin, Cochin.

BURMA

Rangoon, Mandalay.

CEYLON

Colombo, Kandy, Nuwara Eliya.

KENYA COLONY

Mombasa, Nakuru, Nairobi, Kisumu.

TANGANYIKA TERRITORY

Dar-es-Salaam, Tanga, Mwanza.

ARABIA

Aden, Steamer Pt., Aden.

UGANDA

Entebbe, Jinja, Kampala.

ZANZIBAR

CURRENT ACCOUNTS are opened and FIXED DEPOSITS are received on terms which may be ascertained on application.

The Bank issues LETTERS OF CREDIT and transacts GENERAL BANKING and EXCHANGE BUSINESS of every description with the principal commercial cities of the world.

TRAVELLERS CHEQUES ISSUED Payable throughout the WORLD and ACCEPTED by LEADING STEAMSHIP LINES, IMPERIAL AIRWAYS and PRINCIPAL HOTELS.

The Bank's London Office undertakes to act as Trustee or Executor, prepares claims for recovery of Income-Tax overpaid and compiles Income-Tax and Super-Tax Returns for the purpose of assessment on terms which may be learned on application.

Calcutta Office :
104, Clive Street.

N. W. CHISHOLM
Manager

National Bank of Scotland, and in 1919 by absorbing the West Yorkshire Bank, an institution closely associated with the woollen and worsted industries, with deposits of over £10 millions. In 1918 Lloyds Bank acquired the London and River Plate Bank. The latter, with head office in London, became amalgamated with the London and Brazilian Bank, the new insitution being known as Bank of London and South America, Limited. Branches in Egypt, India and Burma were secured for the first time in 1923, on the acquisition of Cox and Company, which with desposits of £16,600,000, possessed seven branches in India and two in Egypt.

To take the liabilities side first, the Reserve Fund is now £9,500,000 as compared with £9,000,000 in 1936, the result of the re-transfer which the directors of the Bank have made of half a million pounds from their internal funds. Deposits were higher at £441,276,045 as against £406,060,950 in the previous year.

The next item of importance on the assets side is the increase in loans and advances by over £21,000,000 from £149,278,901 to £170,844,025 and the percentage to deposits has risen from 36.7 per cent. to 41.5 per cent. A large part of this increase occurred during the latter half of the year and the average throughout the year was 39.2 per cent.

Cash and other balances were lower £88,449,532 against £102,365,019 in the previous year, while investments have declined from £157,177,481 to £117,588,266. The Profit and Loss Account shows the satisfactory increase of £88,000, all the more satisfactory because it is arrived at after making the new provision for National Defence Contribution, and after providing a substantial sum towards the Super-annuation Fund. The dividend is maintained at 12 and 5 per cent. on the 'A' and 'B' shares respectively.

(In 000's omitted)

	1935	1936	1937
Liabilities—	£	£	£
Capital ...	15,810	15,810	15,810
Reserve Fund ...	8,500	9,000	9,500
Deposits ...	400,258	406,061	411,276
Acceptances ...	3,825	4,055	3,610
Endorsements etc. ...	27,916	28,917	24,902
Other items ...	118	6	
Profit and Loss Account ..	1,212	1,225	
Total ...	457,639	465,074	465,098
Assets—			
Cash ...	92,859	102,365	88,450
Investments ...	163,610	157,177	114,003
Bills receiveable	6,787	4,020	43,017
Investments in subsidiary companies ...	5,039	3,380	3,579
Loans and Advances ...	141,307	149,279	170,844
Customers acceptances ..	3,825	4,055	28,512
Endorsements, etc. ...	27,916	28,917	...
Property ...	10,181	9,469	16,698
Other items ...	6,106	6,412	..
Total ...	457,639	465,075	465,098
Percentage of Capital and Reserve to deposits ...	6·1	6·1	6·2
Percentage of Cash to deposits ..	23·2	25·2	21·5
Percentage of liquid assets to deposits ...	65·7	63·9	49·2
Profit and Loss Items—			
Brought forward	515	516	540
Net profit ...	1,643	1,744	1,833
Dividend distribution ...	1,392	1,392	1,369
Allocation to funds ...	250	350	500
Carry forward	516	540	...
Dividend per cent.	(a) 12 (b) 5	(a) 12 (b) 5	(a) 12 (b) 5

'A' Shares
'B' Shares

MERCANTILE BANK OF INDIA LTD.

The Mercantile Bank of India was registered in 1892 , and it has had long and influential connections in India. In addition, the bank has branches and agencies in Ceylon, Malaya, China, Siam and Mauritius.

An Associated Company has been formed for the transaction of Trustee and Executorship business in Malaya and has been registered in Penang under the title of the Mercantile Bank of India (Trustees) Limited.

Deposits have risen from £14,675.061 to £16,025,388. Loans and advances were £6,887,963 against £5,866,405 in the previous year. Cash and other balances were slightly higher at £2,232,768 against £1,847,224 previously, while investments stand at £7,237,986 against £7,026,236.

The bank is in the happy position to report an increase in profit for the year ended December, 1937. The net profit before allocation is £183,497 against £181,732 for the previous year. This has enabled the directors to allocate £20,000 to Premises Account as against the same in the previous year. The other allocations are the same as for 1936 namely, £12,000 to Pension Fund and £25,000 to Contingencies Account. After providing the same dividend of 12 per cent. per annum as for 1936, the balance to be carried is £173,327 against £172,829 for the previous year. Year ended December.

(000's omitted)

Liabilities—		£	
Capital ...	1,050	1,050	1,050
Reserve Fund ...	1,075	1,075	1,075
Notes in circulation ...	160	254	327
Current, fixed deposits etc.	13,917	14,675	16,026
Bills payable ...	512	621	609
Loans payable against security ..		250	
Balance due to subsidiary companies ...	88	38	43
Acceptance for customers ...	17	269	308
Profit and Loss account ...	237	236	236
Total ...	17,160	18,468	19,674
Assets—			
Cash and bullion	2,025	1,847	2,233
Deposits against note issue ...	804	389	419
Investments ...	6,668	6,637	6,819
Bills receivable	2,180	2,752	2,283
Bills discounted	19	23	16
Loans and advances ...	5,108	5,866	6,888
Customers liabilities for acceptances ...	171	269	308
Premises ...	342	337	321
Other items ..	343	348	387
Total ...	17,160	18,468	19,674
Profit and Loss items:—			
Brought forward	173	174	173
Net Profit ...	174	182	183
Dividend distribution ...	126	126	126
Allocation to funds ...	47	57	57
Carry forward...	174	173	173
Dividend rate percent ..	12	12	12

NATIONAL BANK OF INDIA, LD.

The National Bank of India Limited was originally founded in Calcutta as a Rupee company in 1863, but was soon after registered in England and converted into a sterling Company. It has important business in East Africa, Kenya and Uganda. The General Manager of the Bank is Mr. E. H. Lawrence and Mr. R. L. Hird has been appointed as London Manager. The accounts for the year ended December, 1937, show an increase in deposits at £30,466,946 against £30,027,681 in the previous year, while loans and advances show a slight increase at £10,073,728 against £10,004,846. Investments were £15,304,064 against £14,523,984, while cash and other balances were lower at £5,303,153 against £5,411,234. The profit for the year is higher at £465,862 as against £456,286 previously. The dividend has been maintained at 18 per cent. per annum. £50,000 against the same has been transferred to the Officers' Pension Fund and £50,000 against nothing has been written off House Property Account, leaving a balance of £249,817 against £243,955 to be carried forward. Year ending December.

(000's omitted)

	1935	1936	1937
Liabilities—	£	£	£
Capital ...	2,000	2,000	2,000
Reserve Fund	2,200	2,200	2,200
To current, fixed deposits etc. ...	29,383	30,028	30,467
Bills payable ...	660	646	663
Acceptances for customers ...	408	330	472
Profit and loss account ..	528	524	530
Total ...	35,179	35,728	36,332
Assets—			
Cash and bullion	4,608	5,411	5,303
Investments ...	14,810	14,524	15,304
Bills of Exchange including Treasury Bills ...	4,427	4,809	4,526
Loans and discounts ...	10,284	10,005	10,074
Customers liabilities for acceptance ...	408	331	472
Premises, etc. ...	642	648	658
Total	35,179	35,726	36,332
Percentage of total capital and reserves to deposits ...	14·3	13·9	13·8
Percentage of cash to deposits ..	15·7	18·0	17·4
Percentage of total of liquid assets to deposits ...	66.1	66,4	66,7

Profit and Loss Items—

Brought forward	250	248	244
Net profit ..	458	456	466
Dividend distribution	360	360	360
Allocation to funds ...	100	100	100
Carried forward	248	244	250
Dividend rate per cent. ...	18	18	18

P. & O. BANKING CORPORATION

The P. and O. Banking Corporation was founded in 1920 and among the original allotees of shares in this Bank were the Westminister Bank, Lloyds Bank, the National Provincial Bank and the P. and O. Steam Navigation Company.

Inspite of these the Bank has secured, for itself an important position among the Eastern Exchange Banks. Towards the end of 1920, the Bank acquired practically all the ordinary capital of the Allahabad Bank Limited, and through it controls a prosperous inland banking business. In 1927, however, the P. and O. Bank, in its turn, was affiliated to the Chartered Bank of India, Australia and China.

Addressing shareholders in July, 1937, the chairman of the *P. and O. Banking Corporation* told them bluntly that the Eastern Exchange Banks would have to rely in future to an increasing degree for their profits on financing of internal trade, and of local industries and commerce of areas in which they were operating. As there was very keen competition for this class of business, profit margins were very slender. Unfortunately, the Exchange Banks have not been able to make much money on exchange transactions in recent years. In addition to these factors, it is likely that other difficulties met with in the past year included a falling off in overseas trade financing and intensified competition from the Native Banks.

After allowing for all expenses, bad and doubtful debts and depreciation on investments, net revenue last year was £85,228 —the lowest recorded for many years, and comparing with £102,481 for the previous twelve months and the recent record level of £113,442 in 1934-35. Dividend is reduced from the 5 per cent. annual rate of many years past to 4 per cent. After again transferring £5,000 to pension fund, the balance to carry forward is reduced by £1,055, from £52,971 to £51,916.

Comparison of the balance-sheets for the last two years shows that total assets have risen by over £900,000. Loans and advances account for most of the increase, although investments are up by £140,000. An increase in bill holdings is almost counter-balanced by a reduction in cash. On the liability side the total of secured loans, current and other accounts, is greater, although individual items show wide changes. Year ended March.

(In 000's omitted)

	1936	1937	1938
Liabilities—	£	£	£
Capital	2,594	2,594	2,594
Reserve Fund ...	180	180	180
Current and other accounts	6,844	7,370	6,855
Secured loans ..	4,475	5,231	6,763
Acceptances etc. ...	464	564	575
Profit and Loss Account .	157	154	52
Total ...	14,714	16,093	17,019
Assets—			
Cash and bullion ...	1,487	1,197	888
Investments	4,562	4,835	4,976
Bills	3,201	3,426	3,687
Loans and Advances ...	4,884	5,973	6,779
Acceptances etc. ...	464	547	575
Premises etc. ...	116	115	114
Total ...	14,714	16,093	17,019
Percentage of capital and reserve and to deposits ...	40·5	37.6	40·5
Percentage of cash to deposits	21·7	16·2	13·0
Profit and Loss Items—			
Brought forward ...	55	56	53
Net profit ...	112	102	85
Dividend distribution .	101	101	81
Carried forward ...	56	53	52
Dividend per cent. ...	5	5	4

THOS. COOK & SON (BANKERS) LTD.

This institution dates in its present form from 1924, when Thos. Cook and Son, tourist agents and English and foreign bankers, decided, for family reasons, to convert their business into two limited liability companies, one of which, named Thos. Cook and Son (Bankers), Limited took over the banking section. The parent company retained the whole of the capital of the banking subsidiary, and subsequently that of Thos. Cook and Son, Limited was itself acquired by the International Sleeping Car and European Express Trains Company. Each company has retained its separate identity, but

works in close co-operation with the other.

The balance sheet of Thos. Cook and Sons (Bankers) Limited is invariably characterised by a high degree of liquidity. Deposits of this well-known private Bank have advanced by £454,000 or more than 11 per cent. to £4,469,910 compared with £4,016,800 a year before which are covered by cash and short-term loans to the extent of approximately 83 per cent. Moreover a larger sum is represented by interest-bearing deposits with other banks amounting to £2,688,023. Of the investments, amounting to £641,026, which appear at below market values, the bulk is represented by British Government securities. The paid-up capital of £125,000 is equalled by the published reserve fund. No profit and loss account is published, the company being a private concern. The business of Thos. Cook and Sons is now approaching its centenary. Year ending October.

(In 000's omitted)

Liabilities—	1935	1936	1937
	£	£	£
Capital ...	125	125	125
Reserve Fund ..	125	125	125
Current deposits and other accounts ...	3,242	4,017	4,470
Balance due to Subsidiary companies	66	41	58
Liability to customers as per contra	18	24	28
Total ...	3,576	4,332	4,806
Assets—			
Cash and other balances ...	2,683	3,335	3,705
Investments ...	487	603	641
Bills discounted ...	103	10	20
Investment in subsidiary companies ...	20	20	20
Advances ...	209	283	336
Bank premises ..	56	57	55
Liability to customers for engagements as per contra	18	24	29
Total ...	3,576	4,332	4,806
Percentage of capital and reserve to deposits ...	7·7	6·2	5·6
Percentage of cash to deposits ...	82.8	83·2	82·9

FOREIGN BANKS

AMERICAN EXPRESS CO., INC.

The American Express Company, Inc., and the companies with which it is affiliated, offer an international service in three closely related fields—financial, shipping, and travel. This service is available at offices in the principal commercial and tourist centres of the globe and through approximately ten thousand banking, travel and shipping correspondents. Year ending December.

(000's $ omitted)

Liabilities—	1935	1936	1937
Capital ...	6,000	6,000	6,000
Surplus and Undivided Profits ...	2,240	2,270	2,851
Reserves ...	898	1,092	1,118
Deposits ..	17,585	18,928	18,701
Cheques and drafts not yet presented for payment	4,631	3,995	3,529
Acceptance and letters of credit for customers ...	549	656	1,411
Other items	2,908	2,106	2,411
Total ...	34,811	35,047	35,516
Assets—			
Cash ...	10,629	10,853	6,800
Investments ...	13,222	13,655	16,985
Loans and discounts ...	5,275	5,037	5,215
Property ...	2,564	2,490	2,427
Customers' liability for acceptances and letters of credit ...	549	656	1,411
Other items ...	2,572	2,356	2,678
Total ...	34,811	35,047	35,516
Percentage of total of Capital and Reserve to deposits ..	47·0	49.5	50·6
Percentage of cash to deposits ...	60·4	57·3	36·4

BANK OF TAIWAN, LIMITED

Especially chartered by the Japanese Government and the only Currency Note issuing Exchange Bank in Formosa, Japan, the Bank of Taiwan was established in June, 1899 in Formosa. There are branches and Agencies throughout the

world. Bombay Branch was established in December, 1917.

(Yens-000's omitted)

Liabilities—	1935	1936	1937
Capital	15,000	15,000	15,000
Reserves ...	4,004	5,100	6.300
Notes in circulation	70,191	79,138	112,033
Deposits ...	255,783	266,871	299,158
Bills	60,576	93,873	73,836
Acceptances ...	6,818	5,534	12,022
Other items ...	1,972	2,357	4,748
Profit & Loss Account	916	1,137	1,390
Total ..	414,760	469,010	523,982
Assets—			
Cash ...	27,632	25,928	78,380
Bills discounted ...	212,765	217,428	235,085
Acceptances as per contra ...	6,316	5,534	12,022
Investments ...	100,095	122,434	117,370
Other items ...	63,113	92,361	74,340
Premises ...	4,839	5,325	6,785
Total ...	414,760	469,010	523,982
Profit and Loss Items—			
Brought forward ...	113	193	407
Net Profit ...	803	945	982
Dividend distribution	197	197	313
Allocation to funds	500	600	600
Dividend per cent ...	3	3	4
Carry forward .	168	290	477

NATIONAL CITY BANK OF NEW YORK

Till a few years ago, the National City Bank of New York had the distinction of being the largest bank in the world alike in regard to capital, reserves and deposits. The first place has now, however, been secured by the Chase National Bank, which as a result of the latest amalgamation has now the world record figure for capital, reserves and deposits. It may be said the the National City Bank of New York is to-day the second largest bank in the world. The paid-up capital is \$77.5 millions, surplus \$44.25 millions while undivided profits are \$14.31 millions.

Dividend on Common Stock amounting to \$6,200,000 were paid as reserved for, of which amount the bank provided \$5,704,000 and the Trust Company \$496,000. The surplus of the Bank was increased by \$1.750,000 to \$44,250,000. After setting aside \$1,100,000 to cover estimated federal deposit insurance assessments in 1938, the balance of net earnings was transferred to the Undivided Profits Account which stands at \$14,314,079 at the year end.

During the year \$1,798,000 was set aside by the Bank and Trust Company and applied to the writing down of Bank and Trust Company premises, which now stand at \$54,821,953.58. All of the premises are free and clear of mortgages, except the Bank of America building at the corner of Wall and William Streets, on which there is a mortgage of \$4,162,500 which was outstanding when that institution was acquired and which the holder is unwilling to be paid prior to its maturity. In 1933 the bank premises stood at \$65,400,000 with four mortgages outstanding. These mortgages have since been reduced by \$4,650,000 and \$1,100,000 has been spent on new offices. In the last five years, therefore, the net reduction in the bank premises has been accomplished by sales of \$1,200,000 and through writing off approximately \$15,150,000.

The total resources of the Bank are about \$1,900,000,000 and the resources of the Trust Company are about \$100,000,000.

Deposits during the year averaged higher than ever before in the history of the Bank. At the year-end they stand at \$1,711,552,123.76 and those of the Trust of the Company at \$73,396,509.84. Although the net deposits of the New York Clearing House Banks as a group, have declined nearly 10 per cent. our deposits are approximately at the level of a year ago.

During the first part of the year the volume of loans showed an encouraging trend, which, unhappily, was reversed in later months, and the earnings from this source were at approximately the same rate as last year. It is interesting to note that if it were possible to get an increase of ½ of 1 per cent. in the rate of return on all of the available domestic funds it would add more than \$5,000,000 to the income of the Bank.

Operating expenses of the Bank, as was foreseen, were greater in 1937. Total payrolls showed an increase of 5.36 per cent. partly due to raises principally to employees whose compensation was in the lower brackets and partly due to an increase of 433 in personnel made necessary by shorter working hours and an increased volume of business. Other operating expenses were up 2.75 per cent. in spite of the slowing up of business, the volume of transactions going through the Bank has reached a new high level.

At the end year-end there were operating 144 offices, 71 abroad and 73 in Metropolitan New York. During the year the branch in Antwerp was closed and a new branch was opened at No. 9, West 51st Street, in the Rockfiller Center area.

($ 000's omitted)

	1985	1935	1936
	$	$	$
Liabilities—			
Capilal ...	127,500	77,500	77,500
Reserve .	16,112	13,822	14,125
Surplus ...	80,000	42,500	44,249
Deposits ...	1,652,366	1,713,840	1.711,552
Acceptances and Bills ...	44,058	43,675	33,272
Other Items ...	...	...	4,304
Undivided profits	10,644	13,463	14,314
Total ...	1,880,680	1,904,800	1,899,316
Assets—			
Cash . .	527,491	463,259	516,778
Investments ...	690,551	754,919	690,261
Loans & Advances	547,224	588,349	609,441
Acceptances for customers ...	30,634	23,662	13,316
Stock in Federal Reserve Bank	4,725	3,600	3,652
Bauk Premises ...	54,216	52,637	50,543
Other iteds ...	25,839	18,374	15,325
Total ...	1,880,380	1,904,800	1,899,315

YOKOHAMA SPECIE BANK LIMITED

After due provision for all bad and doubtful debts, rebate on bills, etc., the net profit for the half-year ended December, 1937 was Yen. 16,484,426 inclusive of Yen. 10,745,727 brought forward from last account. Notes in circulation stand at Yen. 881,502 as against Yen. 1,242,326 in 1936 and Yen. 3,840,085 in 1935. Deposits are higher at Yen. 623,131,077 against Yen. 599,011,305, while loans and advances have shown a slight increase to Yen. 386,652,402 from Yen. 385,911,980. Cash and bullion stand at Yen. 93,369,127, while investments have increased by Yen. 25,210,755 to Yen. 436,472,176. Yen. 1,500,000 against Yen. 1,750,000 was added to the Reserve Fund. In spite of the decrease in net profit the dividend is repeated at 10 per cent. per annum. The carry forward is Yen. 10,484,426 against Yen. 10,708,920. Year ended December.

(000's omitted)

	1937	1936	1935
Liabilities—	Yen	Yen	Yen
Capital ...	100,000	100,000	100,000
Reserves ...	187,998	184,554	181,174
Notes in circulation ...	882	1,242	3,840
Deposits ...	623,131	599,001	651,761
Bills payable, acceptances etc.	719,576	685,775	755,523
Other items ...	3	2	5
Profit & Loss A/c	16,984	17,459	16,761
Total ...	1,598,569	1,588,033	1,659,064
Assets—			
Cash and Bullion etc., ...	93,369	70,039	145,073
Investments ...	436,472	411,261	494,515
Loans and advances ...	386,653	385,912	352,855
Bills receivable	662,144	650,728	646,742
Premises etc., ...	19,931	20,093	20,379
Total ..	1,598,569	1,538,033	1,659,064
Net profit ...	6,239	7,012	7,258
Allocation to funds ..	1,500	1,750	1,700
Dividend distribution ...	5,000	5,000	5,000
Dividend per cent	10	10	10
Carry forward ...	10,484	10,709	10,061

[Established 1911]

THE BOMBAY PROVINCIAL CO-OPERATIVE BANK LTD.

(Registered under Co-operative Societies' Act)

Head Office:

APOLLO STREET, FORT, BOMBAY.

(BRANCHES 30)

Apex Bank of the Co-operative Movement in Bombay Presidency.

Working Capital Exceeds Rs. 2,00,00,000

Fixed, Current and Savings Deposits Accepted

INSURANCE SECTION:

INSURANCE IN INDIA

The origin of insurance is lost in antiquity. It is known that as far back as two thousand years before Christ, people travelling in caravans had some arrangement for sharing losses that might be caused by robbery on the journey. The joint family system prevailing in India from times immemorial, may be also said to contain some principles of insurance in that the widow, invalid, orphan and the unfortunate members of the family are provided for by the rest of the members.

It is in evidence that the earliest policy of life assurance in its modern form was one effected in the year of 1583 for a term of one year in London. For more than a century thereafter nothing is heard of life assurance until the "Amicable Insurance Society," the oldest known Insurance Company, was formed in 1706, and it is only during the beginning of the 19th century that most of the British gigantic Insurance Companies were established, though there have been in existence numerous small British Insurance Companies floated in the 18th century most of which were later amalgamated with the bigger companies of more recent origin.

In India, the pioneers in the field of insurance, as in other modern economic fields, were the British Agency houses of Calcutta and Madras. Along with their export, import and other trading activities, they conducted insurance business as well during the eighteen and the first half of the nineteenth century. The Madras Presidency, which has been labelled the benighted province of India, however, had the honour to possess the first organised modern institution in insurance and in banking. The Modern Equitable was started by a famous Madras Agency House. After successfully carrying on business for nearly a century, the Company went into liquidation in 1920 for a variety of reasons. The Bombay Mutual, established in 1871, the Oriental of Bombay started in 1874 are the oldest mutual and proprietory companies respectively now in existence.

The total number of insurance companies working in this country according to the latest Indian Insurance Year Book is 381. Out of it 234 companies are constituted in India. 66 companies are established in Bombay, 48 in Bengal, 40 in Madras, 30 in the Punjab, 11, in Sind, 10, in Delhi 12, in the U. P., 4 in Bihar, 5 in C. P., 3 in Ajmer-Merwara and 2 each in Burma, Assam and one in N. W. F. Province. Of the 147 non-Indian companies, 69 are constituted in the U. K., 29 in the British Dominions and colonies, 19 in the Continent of Europe, 16 in the U. S. A., 9 in Japan and 5 in Java. While most of the Indian companies carry on life business, the majority of the non-Indian companies conduct non-life insurance business.

While the development of insurance in India is nothing phenomenal, it cannot be denied that its progress has been fairly steady, especially during recent years. The total business transacted by the Indian companies has risen from Rs. 31 crores in 1920 to Rs. 152 crores in 1935. In other words there has been a rise of 5 times in the course of 15 years. The following are the figures relating to the new business transacted and the total business remaining in force between 1920 and 1935.

Year		New Business Written during the year.	Total Business Remaining in force at the end of the year.
		(in crores of rupees)	
1920	...	5.47	31
1921	...	5.47	34
1922	...	5.64	37
1923	...	5.85	39
1924	...	6.89	42
1925	...	8.15	47
1926	...	10.35	53
1927	...	12.77	60
1928	...	15.41	71
1929	...	17.29	82
1930	...	16.50	89

Year	New Business Written during the year	Total Business Remaining in force at the end of the year
1931	17.76	98
1932	19.66	106
1933	24.83	119
1934	28.92	137
1935	32.81	152

The total business in force of both Indian as well as non-Indian companies has risen, as the following table illustrates from Rs. 124 crores in 1928 to Rs. 235 crores in 1934.

(In crores of Rupees)

	1928	1929	1930	1931	1932	1933	1934	1935
Total Business in force ...	124	142	154	168	178	183	215	235
Share of Indian companies ...	53	60	69	70	76	79	132	146
Share of non Indian companies	71	82	85	98	102	114	88	89

The number of policies in force in India has risen from 564,000 in 1928 to 1,095,000 in 1935. Of this the share of the Indian Companies in 1928 was 412,000 and in 1934, 836,000. The premium income of all the life offices amounted in 1935 to Rs. 12 crores, the share of the Indian companies being Rs. 7 crores. The figures cited clearly illustrate the fact that the Indian companies are progressing more rapidly than the non-Indian concerns. These figures do not include the business transacted by the Post Office Insurance Fund, which was opened in 1893 by the Government of India and which is restricted from doing business with other than the Government employees.

(In thousands of Rs.)

Year	New Business No.	New Business Amount	Total Business No.	Total Business Amount	Total Income	Life Fund
1929 ..	7,582	1,43,41	64,474	13,02,47	63,17	3,64,44
1930 ...	8,894	1,49,56	71,479	14,17,81	69,86	4,02,80
1931 ...	9,710	1,50,88	79,058	15,32,85	76,05	4,46,46
1 ..	6,484	98,15	83,165	15,88,89	81,89	4,91,47
1933 ..	4,215	81,17	84,726	16,24,39	84,24	5,89,00
1934 ..	5,292	1,05,90	87,494	17,36,47	88,43	5,98,78
1935 ...	4,335	1,03,65	89,522	17,88, 6	92 83	6,40,92
1936 ...	5,489	1,19,08	92,098	18,56,84	97,32	6,92,79

The Life Fund of the Indian life offices has increased from Rs. 5.83 crores in 1913 to Rs. 31.87 crores in 1934. The growth is shown below:—

(In Crores of Rupees)

Year		Life Assurance Fund
1913 ...	...	5.83
1915 ...	...	6.77
1920 ...	...	8.47
1925 ...	...	12.57
1930 ...	...	20.53
1931 ...	...	22.44
1932 ...	...	25.07
1933 ...	...	28.72
1934	...	31.87
1935 ...	...	35.19

The total assets of the Indian life offices amounted in 1935 to Rs. 44.25 crores. Of this, stock exchange securities account for Rs. 30.13 crores, mortgages and loans on policies and on stocks and shares Rs. 6.13 crores, land and house property Rs. 2.33 crores, cash and stamps Rs. 2 crores, agents' balances and other outstanding items Rs. 2.33 crores and bank or personal security and other miscellaneous assets Rs. 1.33 crores. Investments of Indian companies outside India are mainly in the shape of stock exchange securities and amount to nearly rupees half a crore.

The rates of interest realised by Indian life offices are said to be as follows during the last five years:—

1929	5.49
1930	5.44
1931	5.42
1932	5.17
1933	5.17
1934	5.08
1935	4.93

The total assets held in India by non-Indian companies amounted in 1935 to Rs. 48 crores. Out of that Rs. 39 crores represents the Indian assets held by the companies constituted in the U.K., 8 2/3 crores of companies constituted in the Dominions and Colonies. The Indian assets of American companies amount to Rs. 1 lakh, and of the Japanese to Rs. 7 lakhs. Out of the total amount of Rs. 48 crores, 43 crores represent the Indian assets of the companies which carry on life business in India either solely or along with other insurance business.

Although life insurance in this country has been making a certain amount of steady progress during the recent years, the development even at present can be styled only, as an infantile one when compared to the mammoth figures reached by insurance

companies in other countries. The *per capita* insurance in India is only about Rs. 5.5, whereas in the U.S.A. and Canada, it is Rs. 2,318 and Rs. 1,760. The following would serve to show the puny development of insurance in India when compared to the other countries.

	Per Capita Insurance
U. S. A.	2,318
Canada	1,760
New Zealand ...	984
Australia ...	751
United Kingdom ...	732
Sweden	563
Italy	418
Norway	377
Netherlands ...	338

Even taking into consideration the very low earnings of the average worker and the small amount of national dividend (small, of course, compared to the size, resources and the population) it cannot be denied that life assurance has plenty of scope to develop in this country.

Insurance has been occupying the attention of the public during the last few years to a very considerable extent. The defective nature of the existing laws, the lack of healthy development in certain matters such as the bad investment of funds and the flotation of mushroom enterprises with a view to cheat the credulous public, to speak of were a few of the problems that had to be solved if progress was to proceed on right lines.

And we are glad to note that the new Insurance Act of 1938, which has already found a place in the Government of India's statute book has enough provisions to eradicate a number of major evils that affect the healthy growth of Indian life assurance. Among the important measures provided in the New Act mention may be made of the following ; compulsory registration of all the insurance companies (Indian or Foreign), furnishing of security deposits by all of them, much more stringent provisions regarding the regular filing of accounts and statements by all the companies with severe penalties for non-compliance, prohibition of managing agents, licensing of agents, prohibition of rebates, limitation of commission to agents as well as a provision for the compulsory investment of a high percentage of the life fund in gilt-edged and other approved securities both by the Indian and the foreign companies. It is also noteworthy that one of the main objects of the Act, namely giving full protection to policy-holders, is achieved to a fair extent. Thus, within one year from the commencement of the Act, every life Insurance Company should have at least 25 per cent. of its Board of Directors elected from among its policyholders, all life policies would become indisputable (except on the ground of fraud) after the expiry of 2 years from commencement, provision is made for nomination by a policyholder of the person or persons to whom the policy moneys are desired to be paid after the policyholder's death, provision is made for the policy-holder to receive full information by notice, within 3 months of the lapse of his policy, as to the options he may exercise under the provisions of the policy.

Perhaps the most important feature of the Act is the enormous amount of Government control, over the affairs of Insurance Companies operating in India, it has newly created. The Superintendent of Insurance has, under the New Act, wide powers and responsibilities. He can call for information, examine books and officers of Insurance companies, refuse to file returns on the ground that they are not in compliance with the Act, direct revaluation and investigations, and apply for winding up in cases where such drastic action is called for. We have given above the more important points of the New Insurance Act and we trust that this Act will help the Indian Insurance to grow and flourish in a healthy state.

INSURANCE SECTION:

FIRE AND MARINE INSURANCE

If the development of life assurance in India is inadequate, the progress of non-life insurance such as fire and marine is still more so. Unlike life insurance, the bulk of fire and marine insurance is written even to-day by the non-Indian companies. Although the Triton Insurance Company was founded in Calcutta with ample capital as long ago as 1850 and the Bombay Mercantile Insurance was started in Bombay in 1907, it was not till 1919, that Indian companies were organised with a view to develop a distinctly national insurance market outside the sphere of life assurance.

The following table gives the names of the Indian general insurance offices with their paid up capital, date and place of registration.

Name of Companies	Date of registration	Place of registration	Capital Paid up
New India Assurance	1919	Bombay	71,21,000
Jupiter General Insurance	1919	Bombay	23,75,000
Vulcan Insurance ...	1919	Bombay	15,99,000
Triton Insurance ...	1850	Calcutta	5,75,000
Universal Fire and General Insurance ...	1919	Bombay	6,35,000
British India General	1919	Bombay	10,00,000
Indian Mercantile Insurance ...	1907	Bombay	4,23,000
Hukumchand Insurance ...	1929	Calcutta	10,00,000
Crescent Insurance ...	1919	Bombay	1,47,000
Burma Fire and Marine Insurance ...	1919	Rangoon	15,00,000
Clive Insurance Co....	1917	Calcutta	...
General Assurance Trust ...	1928	Bombay	...
Indian Globe Insurance Company ..	1930	Bombay	...
National Fire & General	1931	Calcutta	...
		Total ...	1,63,75,000

With the exception of the Burma Fire and Marine Insurance Company, Limited, which was floated in Rangoon in 1919 and the Hukumchand Insurance Company, and National Fire and General which were incorporated as late as 1929 in Calcutta, all the other newly established offices have their head-quarters in Bombay. The Burma Fire and Marine Insurance Company, after a successful career of 12 years, was wound up voluntarily in the year 1931. The Crescent Insurance Company, although originally incorporated with the object of transacting all classes of business, has latterly confined itself more or less to life assurance business. There are a few other companies with comparatively small paid up capital transacting miscellaneous business, such as motor car and employers' liability insurance.

The aggregate net premium income of all these companies from business underwritten in India in 1935 amounted to only Rs. 59 lakhs against a net total premium income of both Indian and non-Indian companies of Rs. 240 lakhs. The New India, the Jupiter, the Vulcan, The Triton and the Universal have also important business connections outside India and derived a net premium income of nearly Rs. 84 lakhs in 1935 from their operations in the foreign field. The total premium income inclusive of foreign revenue, was Rs. 1,43 lakhs. The amount of business which Indian Companies have so far been able to underwrite in a year is small in comparison with their capitalisation. A much larger business can be handled by them with the resources at their command.

The distribution of the income amongst companies constituted in different countries is shown below:

(In lakhs of Rupees)

	Fire	Marine	Misc.	Total
U. K. ...	76.21	13.05	48.66	1,37.92
Dominins and Colonies ...	16.56	20.15	6.34	43.04
U. S. A. ...	10.41	1.88	..	12.25
Europe	6.08	1.64	.37	8.09
Japan	73	63	.12	1.48
Others	54	27	.04	85

Indian companies do a considerable amount of business abroad and obtained a net premium income of Rs. 84 lakhs in 1935.

The total premium income from Indian and non-Indian business amounted to Rs. 143 lakhs. If the figures relating to 1935 reflect little improvement the reports and accounts of many Indian companies for the years 1936 and 1937 go far to show that there has been a striking advance. Even the new-comers to this highly competitive field have done well, and the reviews in this section will indicate the rapid growth. Under the reformed act progress should continue, though the clauses militating against Managing Agents and chief agents may reduce the interest of the principal business-getters in the Indian companies. The provisions relating to rebates will reduce the expense ratio and foster a steady growth of the additional reserves. The general financial position will be strengthened thereby and the reputation of Indian companies will be enhanced.

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

INDIAN INSURANCE COMPANIES

ARYASTHAN INSURANCE COMPANY

(Established 1934)

Head Office: Calcutta.

The Aryasthan Insurance Company, founded early in 1934, has pursued in recent years a sound and cautious policy and has striven to secure business of adequate quality at a reasonable cost. In avoiding the mistake of many infant companies and seeking to build up a solid structure on sound foundations, the Company has been helped by the efficient management and the strong Board headed by Acharya Sir P. C. Ray. In reviewing the first year's report and accounts we were compelled to comment on the high expense ratio and the fact that appreciation in the value of securities was taken into account as income, but mentioned that a start had been made with the Life Fund and a small part of the organisation expenses had been written off, though a considerable amount was shown as part of the Assets.

The report for the year ended March 31, 1935 testifies to a steady increase in new business. Out of 845 proposals received 660 resulted in the issue of policies to the total value of Rs. 10. 26 lakhs. Premium revenue improved substantially from Rs. 39,014 in 1935-36 to Rs. 60,129 in the last year. The expense ratio was reduced to 64 per cent. of the premium income, and the two claims received accounted for a disbursement of Rs. 7,000 while the annuity payment took Rs. 210. Total expenses of management amounted to Rs. 38,500 and the Life Fund was raised at the end of the year to Rs. 26,439 from Rs. 4,129 at the beginning.

In the balance sheet the principal change is the increase in the paid-up capital to Rs. 67,835 from Rs. 63,885 at the end of 1935-36. There is a small Investment Reserve of Rs. 618 and liabilities incurred for expenses are shown at Rs. 3,656. On the assets side, the main item is the security deposit of Government Paper to the face value of Rs. 48,000. Cash balances are fairly high, amounting to Rs. 11,379; advances to agents are shown at Rs. 5,746 and Premiums due amount to Rs. 11,477. But Rs. 29,674 has yet to be written off the preliminary organisation expenses as per the latest balance sheet and the dead stock, less depreciation, is shown at Rs. 3,093.

Life Account.

(In Thousands of Rs.)

	1934-35	1935-36	1936-37
New Business:—			
Number of policies	4,78	601	660
Amount Assured	7,62	903	10,26
Total premiums	23	39	60
Claims ...	1	1	7
Expenses ...	22	34	39
Life fund at the end of year	1	4	26
Expense ratio	96%	87%	64%
Balance Sheet			
Liabilities:—			
Paid-up-capital	48	68	68
Life fund ...	1	4	26
Other liabilities	5	5	12
Total ..	54	77	106

Fire Account.

(In thousands of Rupees)

	1935	1936
Premiums	3,34	3,26
Claims ...	90	86
Commission and Expenses ...	1,81	1,68
Fire fund ..	2,50	2,44
Ratio of Expenses to Premium	54.1%	51.5%
Ratio of claims to Premium	27.0%	28.3%

Accident Account

Premiums	72	89
Claims	48	72
Commission and Expenses ...	28	34
Reserve	54	45
Ratio of Expenses to Premium	38.8%	40.4%
Ratio of Claims to Premium	66.6%	80.9%

Balance Sheet

Liabilities—		
Capital	800	800
Fire fund	250	244
Marine fund	7	12
Accident fund	54	45
Reserve fund	80	150
Other items	223	280
Total ...	914	1031
Assets—		
Government Securities ...	4,48	504
Other Investments ...	85	42
Sundry Debtors	2,56	235
Cash	61	75
Other items	1,14	175
Total ..	9,14	1031

THE ASIAN ASSURANCE CO., LTD.

(Established—1910.)

Head Office:—Bombay

Since the Asian Assurance Company came to receive the co-operation as Chairman of Mr. Jamnadas Mehta and since Mr. Fozdar has been its Manager, this Company has made remarkable progress. In 1937; the company underwrote new business to the value of Rs. 73.0 lakhs which compares well with Rs. 71.45 lakhs in 1936, and at the end of the year the Life Fund stood at Rs. 57.11 lakhs. Against total assets of Rs. 66.58 lakhs the company had invested Rs. 1.86 lakhs in gilt-edge securities and Rs. 19.29 lakhs in bonds and shares : Rs. 9.36 lakhs in loans on policies and Rs. 9.27 lakhs on mortgages and loans, while Rs. 5.39 lakhs laid out on house property. On the whole investments of the company are well distributed and carefully selected. The house property item is protected by a sinking fund, created in 1934, to make provision for depreciation at a rate that would cover the full cost in 48 years. The rise under claims to Rs. 4.78 lakhs is more than offset by the rise in premium income to Rs. 17.49 lakhs. The rise in the expense ratio is obviously small and against an increase of Rs. 13 lakhs in total assets and a rise in both premium income and interest receipts, the increase of Rs. 21,000 appears quite normal. The tables below summarise the results for the last three years and indicate the satisfactory progress of the company.

Life Account.

(In thousands of Rs.)

	1935	1936	1937
New Business—			
Number ...	48,29	47,66	46,86
Amount ...	76,43	71,45	73,01
Premiums on New Business ...	3,37	3,48	3,37
Total Premiums ...	13,43	15,19	17,49
Claims ...	3,62	4,10	4,79
Expenses ...	5,11	5,71	5,93
Life fund at the beginning of the year ...	34,02	42,99	49,68
Life fund at the end of the year ...	42,99	49,68	57,12
Ratio of expenses to premium ...	39.3%		33·3%

Balance Sheet.

Liabilities—			
Capital ...	2,04	2,04	2,04
Life fund ...	42,99	49,68	57,12
Reserve funds ...	1,02	1,03	1,70
Other items ...	3,00	4,08	3,72
Total ...	49,05	56,83	64,58
Assets—			
Giltedge securities ...	11,57	13,72	11,87
Bonds and Preference shares ...	8,57	14,55	20,76
Loans on life policies ...	,88	7,98	9,36
Other loans and Mortgages ...	9,76	6,79	10,47
House Property ...	6.18	5,39	6,39
Other items ...	6,09	7,22	5,73
Total ...	49,05	56,83	64,58

THE ASIATIC GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1913—Life Dept. 1922)

Head Office:—Bangalore.

Among the smaller companies engaged in insurance business the Asiatic Life Assurance Company of Bangalore (incorporated in Mysore) enjoys a reputation second to none. Sustained progress in recent years has enabled the Company to build up a sound position, and the report for 1937 discloses a striking increase in new business, the number of new policies issued being 2,784 as against 2,648 in 1936. The total sum assured by new policies was Rs. 30.22 lakhs comparing favourably with Rs. 28.17 lakhs in the previous year. The revenue account shows premium receipts of Rs. 4.41 lakhs to which first premiums contributed Rs. 1.39 lakhs. Interest and dividends, less tax. provided Rs. 40,987-7-10 and miscella-

neous receipts yielded Rs. 1,309-12-2. Claims payments in respect of death took Rs. 62,784 and matured policies accounted for payments totalling Rs. 34,728. The expenses of management (including commissions) amounted to Rs. 2.03 lakhs. These was a slight fall in the expenses ratio from 47.0 in 1936 to 46.3 in 1937. The revenue account shows that after meeting taxes, refunds, depreciation and other items, the excess of receipts has been used to raise the Life Fund from Rs. 9.38 lakhs to Rs. 10.56 lakhs. The addition to the Fund is substantial and the increase on the preceding year points to the pursuit of a wise and conservative policy by the Board.

The balance sheet discloses a sound position. Against total liabilities of Rs. 13.96 lakhs, of which over Rs. 2.1 lakhs is made up of a capital and reserves, there are stock exchange securities valued at Rs. 4.1 lakhs inclusive of Rs. 75,000 deposited with the Mysore Government Treasury. Mortgages on property amount to Rs. 1.70 lakhs and loans to policy-holders are shown at Rs. 1.70 lakhs. Over Rs. 2.42 lakhs have been laid in the purchase of house and landed property. Outstanding premiums amount to over Rs. 1,06,325 and cash with banks and in hand totals Rs. 87,296. The writing off of bad and doubtful debts from the reserve is a feature of the accounts that deserves mention.

Life Account

New Business—	1935	1936	1937
Policies	1,861	2,648	2,784
Sum Assured ...	21,11	28,17	30,22
Premiums ...	2,87	3,77	4,41
Claims	86	89	98
Expenses (management)	1,20	1,77	2,03
Life Assurance Fund at the beginning of the year ...	634	753	9,38
Life Assurance Fund at the end of the year	753	938	10,56
Net increase ...	119	185	1,18
Ratio of expenses to Premium ...	41·8%	47·0%	46·3%

Liabilities—

Balance Sheet

Capital	1,69	1,69	1,69
Life Assurance fund ...	7,53	9,38	10,56
Reserves	46	42	40
Outstanding claims ...	26	29	54
Other items ...	44	49	80
Total ...	10,88	12,27	13,99

Assets—

Investments and bonds	3,26	3,41	4,07
Loans on policies ...	58	1,11	1,31
Other mortgages and loans	98	1,61	2,08
Fixed Deposits ...	95	75	75
House Property ...	2,18	2,50	2,67
Cash	74	65	87
Other items ...	147	2,24	2,24
Total ...	10,88	12,27	13,99

THE BOMBAY LIFE ASSURANCE CO., LTD.

(Established 1908)

Head Office: 45-47 Churchgate Street, Bombay

The annual report and accounts of the Bombay Life Assurance Company for the year ended December 31, 1937, show that the company has experienced another successful year. Bombay Life has been growing from strength to strength, since its inception ; and the progress made by the Company particularly during the past five years has been so rapid as to be called sensational. During the year under review, the Company has reported a further substantial increase of about 15 per cent. in the new business which stands at Rs. 1.40 crores. It is remarkable that, with all these rapid increases in new business, the Company has managed to reduce its expense ratio gradually from 41.4 per cent. in 1933 to 40.0 per cent. in 1934 and 35.1 per cent. in the year 1937. The premium income has advanced by Rs. 4.01 lakhs to 30.77 lakhs while the total income at 34.67 lakhs shows an increase of more than Rs. 4 lakhs, and the life fund at 98.68 lakhs represents an increase of Rs. 16 lakhs.

During the year ending December 31, 1937, the Company received 9,058 proposals to the face value of Rs. 1.726 crores of which 7,727 proposals assuring a sum of Rs. 1.40 crores resulted into policies, as against 7,510 policies assuring a sum of Rs. 1.23 crores in the previous year. The total premium income amounted to Rs. 30.74 lakhs and interest income to Rs. 3.81 lakhs. On the disbursements side, claims by death and maturity absorbed Rs. 6.01 lakhs as against Rs. 5.92 lakhs in 1936. Surrenders including bonuses paid in cash took Rs. 34.247 and management expenses including commission amounted to Rs. 10.83 lakhs, working out to an expense

ratio of 35.1 per cent. as against 37.2 per cent. of the year preceding. The Life Fund has been increased by the substantial sum of Rs. 16 lakhs to Rs. 98.68 lakhs .

The balance sheet shows, on the liabilities side, a paid-up capital of Rs. 1.35 lakhs, a Life Fund of Rs. 98.69. Reserve Fund amounting to Rs. 20,382 Depreciation Fund of Rs. 1.44 lakhs, Outstanding Claims amounting to Rs. 4.08 lakhs and other miscellaneous assets totalling Rs. 4.64 laks. On the assets side, Rs. 78.40 lakhs or nearly 65 per cent. of the total assets amounting to Rs. 111.92 lakhs is invested in stock exchange securities, the major portion of which is giltedged. A major portion of the reserve has been used to strengthen the valuation reserves but the securities in the Fund are shown at both value and some at market value as on 31-12-33. Mortgages on properties account or Rs. 2.82 lakhs, loans on policies amount to Rs. 9.47 lakhs, household properties owned by the Company amount to Rs. 11.06 lakhs, cash in hand and with bankers Rs. 5.37 lakhs and other miscellaneous assets Rs. 4.23 lakhs. The financial position of the Company as well as its investment plan reflects the highest credit on the management which is in the able hands of an influential Directorate headed by Mr. M. Prem Chand and of Mr. J. L. Mehta, the Manager of the Company.

Life Account

New Business-	*(In thousands of Rs.)* 1935.	1936.	1937.
Number of Policies ...	6,334	7,510	77,27
Amount ...	1,23,29	1,36,00	1,40,07
New Premiums ...	6,51	7,31	7,67
Total Premiums ...	22,55	26,76	30,77
Claims ...	5,75	5,92	6,01
Expenses and commissions ...	8,50	9,85	10,83
Life fund at the beginning of the year ...	58,03	69,89	82,49
Life fund at the end of the year ...	68,02	82,69	98,68
Net increase ...	9,99	12,80	16,19
Ratio of expenses to premium ...	37.7%	37.2%	35.1%

Balance Sheet.

	(In thousands of Rs.) 1935.	1936.	1937.
Liabilities—			
Capital ...	1,35	1,35	1,35
Life Fund ...	68,02	82,69	98,68
Reserve Fund	2,19	2,75	3,17
Outstanding claims	4,24	3,91	4,08
Other Items	4,87	3,28	4,64
Total	80,67	93,98	1,11,92
Assets—			
Giltedged Securities ...	3,43	10,43	29,58
Other Approved Securities ...	43,26	39,99	39,99
Total Approved Securities ...	46,69	50,42	69,57
Percentage of Approved Securities to Life fund less Policy Loans ...	77·3%	67·7	78%
Other investments ...	5,79	10,25	8,84
Loans on Life Policies	7,41	8,22	9,47
Other Loans and Mortgages ...	6,29	5,06	2,82
House Property ...	7,50	9,74	11,06
Cash ...	2,49	5,37	4,23
Other Items ...	4,50	4,92	5,98
Total ...	80,67	93,98	1,11,92

THE BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

(Established 1871).

Head Office :—Bombay.

The Bombay Mutual Life Assurance Society reports a good year and the accounts and balance-sheet for 1937 indicate that the progress of recent years has been fully maintained. New business to the value of over Rs. 2.02 crores provides an income of over Rs. 10.44 lakhs and Rs. 1.92 lakhs in the premium revenue on the previous year, the figures indicating that the company has held its own fully in a year, which proved satisfactory to many other concerns. The expansion in business was accompanied by a rise in the total premium income from Rs. 36.54 lakhs to Rs. 42.91 lakhs, equal to an increase of 17.4 per cent. Out of this nearly Rs. 10 lakhs was derived from first year's premium payments. Claims by maturity account for a payment of over Rs. 79,788 and those arising from death and disabilities absorbed about Rs. 5,77,000. Claims outstanding at the end of the year amounted to over Rs. 5.11 lakhs according to the balance-sheet out of which claims to the value of over Rs. 1.57 lakhs have been paid since according to the report. The total value of life assurance in force at the end of the year was over Rs. 8.44 crores, out of which about Rs. 16.95 lakhs was subject to reassurance.

The substantial increase of over Rs. 25 lakhs in the Life Assurance Fund at Rs. 101.54 lakhs against Rs. 75.99 lakhs at the end of 1935 is perhaps the most significant indication of the Society's prosperity. The report mentions that the total value of investments of the Society, including sums spent on land and buildings, at the end of

the year amounted to over Rs. 102.13 lakhs yielding an income of nearly Rs. 4.02 lakhs. The revenue account shows that at nearly Rs. 13.48 lakhs expenses were higher than the sum shown last year, but the percentage is just over 31 a good reduction from the previous year.

The balance-sheet shows investments in Stock Exchange securities at market value to the extent of over Rs. 67.61 lakhs and a depreciation reserve of over Rs. 3.89 lakhs. Loans on mortgages and the security of policies are shown at over Rs. 22.73 lakhs, and the value of land and buildings at cost, is stated to be over Rs. 11.77 lakhs.

Life Account

(In thousands of Rs.)

New Business—	1935	1936	1937
Number	12,290	13,979	18,648
Amount	1,86,14	2,01,46	2,02,02
New Premiums ...	8,95	10,88	10,44
Total „ ...	28,69	36,54	42,91
Claims	4,38	5,55	6,57
Expenses and Commission	11,49	13,00	13,48
Life fund at the begining of the year ...	42,12	55,94	75,99
Life fund at the end of the year	55,94	75,99	1,01,55
Net increase ...	13,82	20,05	25,54
Ratio of Expenses to Premium ...	40.4%	35.5%	31.4%

Balance Sheet.

Liabilities—	1935	1936	1937
Life Fund	55,94	75,99	1,01,54
Reserve Funds ...	2,29	4,11	8,10
Outstanding claims ...	3,40	895	5,11
Other items ...	2,42	2,67	8,28
Total Rs. ...	64,05	86,72	1,13,08
Assets—			
Giltedged Securities ...	5,27	13,49	18,06
Other Approved Securities	19,90	20,62	25,72
Total approved Securities	25,17	34,11	43,78
Percentage of approved Securities to life fund less policy Loans ...	49·2	48-5%	46·2
Other stock Exchange investments ...	7,98	14,65	28,88
Loans on Company policies	4,80	5,68	6.76
Mortgage Loans ...	8,66	13,02	15,98
Building and house properties ...	11,72	11,78	11,78
Cash	1,72	2,65	5,49
Other Assets ...	4,00	4,89	5,41
Total Assets Rs. ...	64,05	86,72	1,13,08

CONCORD OF INDIA

A newcomer in the field, the Concord of India Insurance Company, whose progress in recent years has been conspicuously satisfactory, made sustained progress during the past year. Concentrating on fire, marine and accident business the company has been greatly assisted by the influential connections of the managing agents, Messrs. Andrew Yule and Company. The Directors' report for the year ended December 31, 1937, states that the fire branch provided a net premium income of over Rs. 3.72 lakhs. Claims paid and outstanding took about Rs. 1,71,043 representing a loss ratio of 45.92 per cent. only. The Fire Fund is maintained at Rs. 2,56,406 being 75 per cent. of the premium income. Expenses and commission absorbed Rs. 1,80,165 and the profit and loss account is credited with Rs. 9,277. The expansion of revenue in the Marine branch is a significant feature of the report. Premiums, after deducting reinsurance, provided Rs. 70,779 and claims took Rs. 26,606 the loss ratio working out at 37.59 per cent. The expenses of management amounted to Rs. 18,556 and the excess of receipts is used to raise the Marine Fund to Rs. 29,810 and for the transfer of Rs. 8,299 to the Profit and Loss Account.

The Profit and Loss Account, after allowing for this transfer to the Accident Fund, shows a credit balance of Rs. 11,740. A study of the balance sheet as at December 31, 1937, leaves the impression that the company has not altered its prudent and far-sighted policy. The paid-up capital of Rs. 3 lakhs is supported by a share premium fund of Rs. 20,000. Besides the Special Funds, there is a General Reserve of Rs. 1,50,000. The other liabilities shown are deposits amounting to Rs. 24,195 and Rs. 1,19,278 due to other companies for reinsurances. Sundry creditors have claims for 1,23,615 and the sums due on claims admitted but not paid less reinsurance recoveries amount to Rs. 67,876. Other finance is shown as a liability to the tune of Rs. 26,870 and the balance to the credit of profit and loss account is shown at Rs. 11,741.

The company's assets consist of Rs. 582,226 the Government securities, whose face value is Rs. 6,05,500 and Rs. 41,833 in deposits. It is obvious that the margin between cost and market value of investments is an internal reserve of fair dimensions. Office equipment and motor car are minor assets for which depreciation is provided. Sums due by the other insurance companies are shown at Rs. 2,20,512

and sundry debtors owe the company Rs. 2,62,204. Accrued interest and cash items raise the total value of assets to Rs. 11,79,365.

The Concord's position at the end of the year leaves nothing to be desired and thanks to Mr. Maitland's energetic and progressive management the expansion of business revealed in the last report points to a very satisfactory continuance of the progress achieved by the company from its very inception.

Fire Account

(In thousands of Rupees)

	1935	1936	1937
Premiums ...	3.34	3,26	3,72
Claims	90	86	1,71
Commission aud Expenses	1,81	1,68	1,80
Fire fund ...	2,50	2,44	2,56
Ratio of Expenses to Premium ...	54.1%	51.5%	48.4%
Ratio of Claims to Premium ...	27.0%	23.3%	45·9%

Accident Account

Premiums ...	72	89	1,20
Claims	48	72	57
Commission and Expenses ...	28	34	47
Reserve	54	45	50
Ratio of Expenses to premium ...	38.8%	40.4%	39.2%
Ratio of Claims to premium ...	65.8%	80.5%	47.5%

Balance Sheet

Liabilities :—			
Capital	300	300	300
Fire Fund ...	250	244	256
Marine Fund ...	7	12	30
Accident Fund ...	54	45	50
Reserve Fund ...	80	150	150
Other Items ...	228	280	393
Total	914	10,81	11,79

Assets :—			
Government Securities	4,48	5,04	5,82
Percentage of Securities to Life Fund Loss Policy Loans	...	...	...
Other Investments	85	42	42
Sundry Debtors ...	2,56	2,35	2,62
Cash	61	75	60
Other Items ...	1,14	1,75	2,83
Total	9,14	10,81	11,79

THE EAST AND WEST LIFE INSURANCE CO., LTD.

(Established 1913).

Head Office:—Bombay.

Like its older rivals, the East and West has shared fully in the prosperity reflected in Indian insurance company reports, and business in 1937 underwent considerable expansion. New business secured by the company resulted in the issue of 2,707 policies assuring over Rs. 40.04 lakhs. The net premium revenue resulting from new business was over Rs. 2.10 lakhs. The total premium revenue amounted to over Rs. 7.23 lakhs as against Rs. 6.04 lakhs in 1937. The income from investments totalled over Rs. 90,250. Disbursements in regard to claims by death totalled over Rs. 1.05 lakhs and claims by maturity took about Rs. 32,568. The company's expenses continued to remain high, and apart from Rs. 1.48 lakhs given in commissions, over Rs. 1.68 lakhs was taken up in other expenses. After meeting payments in respect of surrenders and making appropriations to tax and depreciation, bad debts etc. there is a surplus of over Rs. 3.16 lakhs, to be added to the Life Fund, which from being Rs. 13.93 lakhs at the end of 1936, is raised to Rs. 17.09 lakhs.

Further additions to the Building Depreciation Fund and Leasehold and Property Sinking Fund indicate that the company, which has invested over Rs. 8 lakhs in land and house property in India, continues to exercise due care, and the Special Fund is shown in the balance sheet at over Rs. 45,902. The company's investment policy appears to have been fairly profitable, for the average yield on the funds was 5.99 per cent. after deduction of tax.

Changes in the balance sheet call for little comment. Capital is Rs. 1,00,815 and the building depreciation fund adverted to above is the only provision against alterations in the value of investments. The shareholders' dividend reserve fund, after meeting tax, stands at about Rs. 12,305. Due provision is made in respect of claims outstanding, and liabilities to the secretaries and agents and auditors are shown at about Rs. 56,194. The principal item among liabilities is the Life Fund of about Rs. 17.09 lakhs to balance which there are various assets. Investments in Government securities, including a deposit of G. P. notes of the face value of Rs. 1.88 lakhs with the

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Government, amount to about Rs. 2.54 lakhs. Investments in joint stock company debentures and bank shares are shown at about Rs. 1.63. The company's holdings of real property, both freehold and leasehold, are show at Rs. 8.44 lakhs. Loans on mortgages of real property to the value of Rs. 3.30 lakhs, and advances on the security of the company's policies amounting to Rs. 1.34 lakhs are important items in the assets column. The company's cash balances in hand and with banks total over Rs. 37,197.

Three years ago, the company's balance sheet showed assets of Rs. 11,18 lakhs, but the progress made in the years 1935, 1936 and 1937 has raised the total value of assets to Rs. 20.47 lakhs at the end of 1936. This increase of over Rs. 9 lakhs is responsible for the raising of the Life Fund to Rs. 17.09 lakhs at the end of 1937 from Rs. 8.4 lakhs at the end of 1934. The Board's policy of strengthening the Life Fund, while endeavouring to secure a larger share of new business has contributed to this welcome increase.

Life Account

(In thousands of Rs.)

New Business—	1935	1936	1937
No. of Policies ...	2,071	2,222	2,707
Sum Assured ...	35,04	36,18	40,04
Premiums on new business ...	1,77	1,77	2,10
Total Premiums ...	5,29	6,05	7,23
Claims by death ..	72	48	1,04
Claims by maturity ...	23	10	33
Commissions and Expenses ...	2,63	2,93	3,29
Life Fund at beginning of the year ...	8,40	10,42	13,94
Life Fund at year end	10,42	13,94	17,10
Increase ...	2,02	3,52	3,16
Ratio of Expenses to Premiums ...	45·5%	48·4%	43·8%

Balance Sheet.

Liabilities—			
Capital	1,00	1,01	1,01
Life Fund ...	10,42	13,94	17,10
Other Reserves ...	1,02	64	58
Claims outstanding	51	22	83
Other items ...	55	70	95
Total Rs. ...	13,50	16,51	20,47

Assets—	1935	1936	1937
Giltedge Securities ...	3,94	4.13	2,54
Other Approved Securities	28	28	...
Total Approved Securities	4,22	4,41	2,54
Percentage of Approved Securities to Life Fund less Policy Loans	44·5%	35·3%	16·8%
Other Stock Exchange Investments ...	1,11	1,12	1,74
Loans on Companies Policies	94	1,15	1,34
Mortgages and other Loans	67	2,65	3,33
Building and House Properties ...	4,12	4,20	8,45
Cash	78	1,11	37
Other Assets ...	1,66	1,87	2,70
Total Assets ...	13,50	16,51	20,47

EMPIRE OF INDIA LIFE ASSURANCE

In point of age and stability, the Empire of India has long enjoyed a great reputation, and financial journalists always look forward with pleasure to the annual accounts. According to the report and accounts now available, 1937 was a remarkably good year for this fine old office, and the sustained progress of recent years has been surpassed in the results achieved last year. New business worth Rs. 1.87 crores secured by the company constitutes a record in the history of the Company. The premium revenue on new business is Rs. 1.29 lakhs, and the Company now carries on its books over 75,000 contracts assuring over Rs. 14 crores. The remarkable progress made in the last year is certainly an indication of the vitality and soundness of the Company. In this case, as the Chairman remarked at the annual meeting last month, the great financial strength inspired confidence in the public and this in turn explained the progress of the Company.

The year's premium receipts totalled over Rs. 61 lakhs and interest on investments yielded over Rs. 21.63 lakhs. The claim experience of the Company in the previous year, if not conspicuously favourable, was fairly good and the disbursements on account of death and maturity amounted to Rs. 44.75 lakhs. The expense ratio in spite of the marked advance in new business remained moderate at 25.8 per cent. of the premium revenue, and the revenue account shows that a surplus of Rs. 12 lakhs was available to strengthen

the Life Fund at the end of the year. Commenting on the balance sheet, the chairman referred to the impressive increase in the Life and Reserve Funds standing at the end of February 1938 at Rs. 4.82 crores while total assets showed an increase of about Rs. 20 lakhs on the previous year and amounted to Rs. 5.07 crores. Mr. Rustum Cama dwelt with satisfaction on the results recorded in the latest valuation which showed a surplus of Rs. 44.24 lakhs.

The balance sheet furnished with the report is a document that deserves examination. It is scarcely necessary to say that it fully sustains the reputations of the Company. The figures relate only to the Life Assurance Fund; the outstanding feature is that a strong fund is supported by more than adequate reserves. The liability in respect of outstanding claims is shown at Rs. 12 lakhs, but apart from this, there is no considerable item. The distribution of the assets is beyond criticism. The investments are exclusively in giltedged securities, and a further point in favour of the Company's policy is that they are all dated stocks repayable at par. Adhering to the approved practice, these investments are shown at cost and the margin between book value and market value remains a substantial one. As Mr. Cama observed, this will enable the company to regard with equainimity a possible future shrinkage of values, for the margin is a very substantial buffer against depreciation. Policy holders' loans are the second most important item in the balance sheet and it may be mentioned that premiums and interest due total nearly Rs. 11 lakhs. Cash, branch and agency balances together amount to nearly Rs. 4.2 lakhs.

The report and accounts should strength en the reputation of the Empire of India, and last year's results would show that the public is not unaware of the high standing and soundness of the Company.

Life Account.

(In Thousands of Rupees.)

New Business—	1935-36	1936-37	1937-38
Number (actual) ...	9,916	11,915	12,078
Amount	1,57,09	1,86,69	1,87,29
Premium on Business	7,37	8,55	9,38
Total Premium ...	54,00	58,03	61,10
Claims by Death ...	14,29	11,56	18,78
Claims by Maturity ...	26,00	25,15	31,04
Life Fund at the beginning of the year ...	3,95,39	4,09,75	4,32,56
Life Fund at the end of the year ...	4,09,75	4,32,65	4,44,20
Ratio of expenses to premium ...	23·7%	24·9%	25·8%

Balance Sheet

Liabilities—			
Capital	4,12	4,12	5,15
Life fund	4,09,75	4,32,56	4,44,20
Other Reserve Funds	36,10	37,34	43,11
Outstanding claims	12,79	12,60	14,30
Other items ...	1,31	25	12
Total ...	4,64,07	4,87,27	5,06,88
Assets—			
Giltedge Securities ...	2,72,43	3,00,50	3,26,40
Debentures ..	95,22	8[illegible],63	87,75
Loans on Life Policies	65,00	65,66	65,37
House Property ...	9,19	9,19	9,19
Other Assets ...	22,23	23,29	18,17
Total ...	4,64,07	4,87,27	5,06,88

THE GENERAL ASSURANCE SOCIETY, LTD.

(Established 1907)

Head Office: AJMER.

The Directors of the General Assurance Society, Ajmer, are in a position to report substantial progress in all directions. The 1937 report and accounts, now available, disclose a marked increase under new business which yielded 3,787 policies assuring a total sum of Rs. 55,3 lakhs. Total premium income advanced from Rs. 15.65 lakhs to Rs. 16.82 lakhs, out of which first year premiums accounted for Rs. 2.33 lakhs. The total income for 1937 rose to Rs. 20.33 lakhs and outgoings in respect of claims absorbed Rs. 5.81 lakhs. Expenses and commissions absorbed about Rs. 3.64 lakhs and the ratio to premium income has fallen by 2.15 per cent. to 29.1 per cent. The surplus shown in the Revenue Account is used to make a further addition of Rs. 5.71 lakhs to the Life Fund which stands at Rs. 77.33 lakhs at the end of the year. A noteworthy feature of the year under review is that the company secured a higher average yield on its funds in spite of the somewhat disappointing rates of return available on investments. The transfer from the revenue account of Rs. 46,759-13-9 to the Contingency Reserve account raises the latter to Rs. 1 lakhs as shown in the balance-sheet. The changes shown in this compared with the last one are inconsiderable. A notable feature is the high proportion of giltedged securities valued Rs. 62.29 lakhs to total assests. Loans on the security of policies amount to a little over Rs. 8 lakhs and property items (for which either depreciation or

sinking fund provision is made) are shown at Rs. 10.67 lakhs. Outstanding premiums and interest etc., due are more than enough to cover the liabilities under claims and deposits. Cash balances exceed Rs. 93,000 and the general impression produced is that the company retains its position among Indian life offices with total business of over Rs. 3.25 crores and an improving revenue position. The General Assurance Society has reason to look back on the last year with satisfaction.

Life Account.

	1935	1936	1937
Number of Policies ...	3,040	3,269	3,787
Amount Assured ...	45,99	51,26	5,530
Premiums on New Business ..	2,28	2,56	2,95
Total Premiums ...	14,15	15,44	16,62
Claims	5,62	5,97	5,81
Expenses	4,13	471	3,64
Life Fund at the begining of year	55,92	60,70	71,62
Life Fund at year end	60.70	71,62	77,33
Ratio of expenses to Premium ...	29.9%	31.3%	29.1%

Balance Sheet.

Liabilities—			
Capital	1,33	1,33	1,33
Life Fund	60,70	71,62	77,33
Outstanding Liabilities of Life Fund ...	3,72	4,64	4,06
Other items ...	4,13	3,45	3,11
Total ...	69,88	81,04	85,83
Assets—			
Giltedge Securities ...	44,40	47,36	39,98
Other Approved Securities ...	10,06	11,22	22,06
Total Approved Secutities ...	54,46	58,58	62,04
Percentage of approved Securities to Life Fund less loans on Policies ...	100.9%	91.8%	89.5%
Other investments ...	27	2	25
Loans on Company's Policies ...	6,74	7,78	8,02
Mortgage Loans & other L ans ...	14	12	30
Buildings and House Properties ...	2,41	10,71	10,67
Cash ...	2,60	95	93
Other items ...	3,26	2,88	3,62
Total ...	69,88	81,04	85,83

GUARDIAN OF INDIA INSURANCE COMPANY, LIMITED

Head Office: Madras

Established just three years ago, the Guardian of India Insurance Company of Madras has, during its very brief existence, achieved notable success in the underwriting of life assurance business. Its phenomenal all-round growth during this short period is so striking that it is no exaggeration to say that the accounts and balance-sheet of the company for the year ended December 31, 1937, can easily stand comparison with those of many of the much more longstanding Indian Insurance companies. It is gratifying to note that amidst the too numerous insufficiently capitalised and badly-managed mushroom insurance companies that are being floated nowadays, there are a few really good concerns backed by sound and able management and administration. The extraordinarily short time within which the company has released its accounts to the public is noteworthy. We have not known of any Indian Insurance company bringing out its accounts and balance-sheet within 2 months of the closing of the year. Again, the extremely neat and natty way in which the accounts are presented to the public deserves the attention and emulation of even some of the well-established and long standing companies.

During the year 1937, the company received 4,069 proposals for assurances amounting to Rs. 52.54 lakhs of which 3,447 resulted in policies assuring a sum of Rs. 40.07 lakhs as against 3,004 policies, assuring Rs. 30.53 lakhs issued during the previous year. The total assurances in force amount to 6,174 policies assuring a sum of Rs. 72,84,175. The lapse ratio of the company during the first 3 years, though a little bit high, compares favourably with that of many new offices, and some old ones. The total net premium income during the year was Rs. 3.66 lakhs as against Rs. 2,36,767 in the previous year representing an increase of over 55 per cent. Interest and other miscellaneous income fetched Rs. 5,116-11-8. On the disbursements side claims by death took Rs. 26,175 and management expenses including commission absorbed Rs. 1,92,012-14-8 working out to an expense ratio of 52.5 per cent. It is creditable that the expense ratio has been brought down by more than 10 per cent. during the year. It is also noteworthy that the company has provided a sum of Rs. 19,085-8 for writing off organisation expenses and a sum of Rs. 3,827 for writing off the preliminary expenses. Even with these generous provisions, the life fund has been increased by the big sum of Rs. 1,25,162 to Rs. 2,00,421.

Life Account.

(In thousands of Rupees.)

New Business—	1935	1936	1937
Number of Policies ...	23,40	80,04	3,448
Amount Assured ...	83,52	86,54	4,066
Total Premiums ...	1,47	287	367
Claims	8	13	26
Expenses	1,26	150	192
Life fund at the end of the year	16	75	200
Expense ratio ...	85·7%	63·3%	52·5

Balance Sheet.

Liabilities—	1935	1936	1937
Paid-up Capital ...	101	122	171
Life Fund	16	75	200
Other Liabilities ...	25	43	54
Total ...	141	240	425

Assets	1935	1936	1937
Giltedge securities ...	44	76	201
Other approved Securities ...		25	
Total approved Securities ...	44	101	201
Percentage of approved Securities to Life fund less policy loan	275%	136·5	102·6%
Other investments ...	...	5	5
Loans on company's policies ...	...		
Mortgage and other loans ...	...		
Building Property ..	...		
Cash ...	43	40	59
Other Assets ...	64	93	156
Total	141	240	425

HERCULES INSURANCE COMPANY

Head Office: Calcutta

Like its namesake the Greek hero, the Hercules Insurance Company has developed strength from its very birth and the infant's strength is fully reflected in the Directors' report for 1937, which covers the second period of working since the company started business in 1935. In spite of the strong competition of older companies, foreign and Indian, the new Indian venture has made a very promising start, and the confidence of its promoters and managing agents is fully justified by the favourable experience of the previous year. The company secured additional capital through the issue of 2,195 shares at a premium of Rs. 10 per share of Rs. 50 paid-up, and the premium realised has been used to increase the general reserve by Rs. 21,950. In May, 1936, the company entered the field of marine insurance and re-insurance, but as this branch was established late, the revenue account appears rather disappointing. The company was largely engaged in developing business and the branches at Bombay, Madras and Karachi are now said to be well established. The Board of the company is contemplating extension of the operations to include life business and an investigation into conditions and prospects is to be made.

The Profit and Loss account shows receipts of Rs. 44,720-0-5 from interest and dividends. Transfers from the Fire and Accident branches increase the total to Rs. 88,625. The company's expenses, not shown in the revenue accounts, amount to Rs. 8,141-13-2 to which Directors' and Managing agents' remuneration amounting to Rs. 34,000 has been added. The profit for the year is shown at Rs. 38,483-13-9 which added to the sum of Rs. 10,232-2-8 brought down from the 1936 accounts and the share premium of Rs. 21,950 is used thus. An appropriation of Rs. 60,000 is made to General Reserve and the balance of Rs. 9,142-8-5 is carried forward.

While the revenue accounts indicate a very promising beginning without any outstanding features, the balance-sheet gives a clearer notion of the exceptional strength and resources of the new company. There is a paid-up capital of Rs. 8,92,250 and a General Reserve of Rs. 2,10,000. The Branch Funds are on an impeccable basis. Dues to other insurance companies and for investments purchased amount to over Rs. 1,26,000 and the advance payment of Rs. 3,80,249 in respect of premiums by its clients is ample testimony to the confidence placed in the new company. The company's assets consist of over Rs. 12.51 lakhs in stock exchange securities, nearly two-thirds being in giltedge, while the remained is distributed between preference and ordinary shares. The success of this infant prodigy's investment policy is best indicated by the fact that there was a margin of Rs. 17,544 between the cost and market value of securities at the end of 1937. Interest accrued is shown at Rs. 13,280-2-2 and the dues from other insurance companies amount to Rs. 20,832-13-8 while cash balances are generous enough at Rs. 5,06,575-13-0. The company owes much of its success to the very influential connections of Messrs. Ralli Bros.

Fire Account.

(In Thousands of Rs.)

	1936	1937
Premium	2,05	3,68
Claims	27	91
Expenses	1,09	1,44
Reserves	72	1,63
Ratio of claims to premiums	13.2%	25·8%
Ratio of expenses to premium	53.4%	39·9%
Ratio of reserves to premium	35.3%	45%

Accident Account.

Premium	54	69
Claims	7	17
Expenses	25	35
Reserves	27	36
Ratio of claims to premium	13%	24·7%
Ratio of expenses to premium	46.3%	50·0%
Ratio of reserves to premium	50%	52·2%

Marine Account.

Premium	4	10
Expenses	3	8
Reserve	1	9
Ratio of expenses to premium	70%	80%
Ratio of reserve to premium	25%	90%

Balance Sheet.

Liabilities—

	1936	1937
Capital	7,83	8,92
Reserve	1,50	2,10
Fire Fund	72	1,63
Accident Fund ...	27	36
Marine Fund	1	9
Other items	4,89	5,24
Total	15,22	18,34

Assets—

Giltedge Securities	4,38	4,66
Debentures and Preference Shares	3,90	5,80
Equity Shares	2,27	2,06
Other items ...	1,03	75
Cash ...	3,64	5,07
Total	15,22	18,34

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY, LTD.

The Hindustan Co-operative Insurance Society is one of the first fruits of Swadeshi enterprise in Bengal. It has, in fact, been Swadeshi not only in the broad national sense of the term, it has also been the leading Indian insurance company in purely Bengalee ownership and control. It must be sair, to the credit of its management, that, in spite of the numerous troubles and difficulties the Society has been able to maintain a steady and alround progress year after year. The accounts and report of the Society's working for the year anding April 30, 1937, bear ample testimony to this steady progress. The current report shows a further appreciable change for the better. Stock exchange securities in total have increased from Rs. 42.27 lakhs to Rs. 71.37 hakhs, while giltedged securities have increased from Rs. 24.26 lakhs to Rs. 27.2 lakhs; municipal and other debentures have risen from Rs. 10.81 lakhs to over 22.5 lakhs and ordinary shares have risen from Rs. 7.2 lakhs to Rs. 10.7 lakhs. The over-all expanse ratio at 30 per cent. shows a further reduction of more than 3 per cent. Other not able achievements of the Society during the year under review are the increase of the total premium income from Rs. 52.4 lakhs to Rs. 62.5 lakhs; and addition of Rs. 2.8 crores to the total business in force which now stands at Rs. 12.85 crores; and an appreciation of Rs. 33.7 lakhs in the life fund which has reached Rs. 2.32 crores.

Coming to details we find that during the year 1936-37 the Society received 22,190 proposals for assurances aggregating to Rs. 3.68 crores, of which 17,647 resulted into policies assuring a sum of Rs. 2.84 crores, as against 15,040 policies assuring a sum of Rs. 2.35 crores issued in the previous year. The marked recovery affords ample testimony to its able management. The total business in force at the end of the year was 77,561 policies assuring a sum of Rs. 12.85 crores. The total premium income of the year amounted to Rs. 62.59 lakhs, while interest, dividend and rent realised Rs. 12.43 lakhs, working out to an yield of nearly 6 per cent. quite soon after the removal of the 6 per cent. guarantee in the Articles of Association. On the disbursements side, claims by death amounted to Rs. 9.35 lakhs and those by maturity to 6.6. It may be mentioned here that the Society has paid more than Rs. 1.4 crores by way of claims etc., to its policy holders since its inception. Management expenses absorbed Rs. 19.32 lakhs working out to an expense ratio of 30 per cent. as against 33.3 per cent. in the previous year. The life fund has been increased by the substantial sum of Rs. 33.3 lakhs to Rs. 2.32 crores.

The balance sheet of the Society as on 30th April, 1937, shows on the liabilities side a life fund of Rs. 2.31 crores, outstanding claims amounting to Rs. 11.35 lakhs, a paid up capital of Rs. 3.85 lakhs and other miscellaneous liabilities amounting to Rs. 1.38 lakhs. On the assets sides, it is noteworthy that the Society has considerably increased its holdings in stocks exchange securities, particularly in gilt-edged securities.

Among the other assets, loans on policies have increased from Rs. 20.2 lakhs to Rs. 23.7 lakhs, while mortgage loans at Rs. 67.58 lakhs register a slight increase

of Rs. 1¼ lakhs. House and landed properties have increased by more than Rs. 2.7 lakhs to Rs. 55.5 lakhs.

Life Account.

(In thousands of Rs.)

New Business—	1935-36	1936-37
Number	1,91,75	17,647
Amount	3,01,48	2,83,64
Total Premiums ...	53,70	62,65
Claims by death ...	6,74	9,31
Claims by Maturity ...	6,61	6,61
Expenses ...	17,46	19,33
Life fund at the beginning of year ...	1,74,06	1,98,27
Life fund at the end of year ...	1,98,27	2,31,98
Net increase in the life fund	24,21	33,71
Ratio of expenses to Premium ...	48.3%	28·8

Balance Sheet.

Capital	4,38	4,42
Life fund ...	1,98,27	2,31,98
Outstanding claims ...	11,16	12,84
Other items ...	7,92	11,44
Total ...	2,21,73	2,60,68
Gilt-edge securities ...	24,18	27,46
Other approved securities	5,01	20,61
Total approved securities	29,19	43,07
Percentage of approved securities to Life fund less Policy loans	18·93	23%
Other investments ...	13,03	25,79
Loans on life policies	20,24	23,69
Loans on mortgages of real properties ..	72,81	71,05
House and landed properties ...	54,15	55,60
Cash	8,49	13,23
Other items ...	23,77	2,325
Total	2,21,73	2,60,68

THE INDIAN MERCANTILE INSURANCE CO., LTD.

(Established 1907)

Head Office: 11, Bank Street, Bombay.

The succes of the Indian Mercantile Insurance Company in maintaining its high position among Indian insurance offices is clearly demonstrated in the 30th annual report and accounts now available. The expansion of the fire insurance department is not fully reflected in the premium income for the year amounting to Rs. 1,11,239-5-2 as against Rs. 1,20,618 in 1936. The claim experience was, however, remarkably favourable, and payments for fire losses took Rs. 4,713-6-8 only. Management expenses and other charges totalled Rs. 1,19,966-9-5 and the income from the department's funds and property amounted to Rs. 53,790-0-2. The result is that the fund for unexpired risks has been maintained at Rs. 2,50,000 and the underwriting profits amounting to 16,277-3-6 has been transferred to general revenue account. The strong basis on which the Fund is maintained appears to be a feature calling for special mention. The life account shows a net premium income of Rs. 1,92,998-15-3 to which premiums on new business secured during the year amounted to Rs. 68,707-14-0. The value of new business secured during the year exceeded Rs. 16 lakhs. The total income of the life branch amounted to Rs. 2.12 lakhs and claims took Rs. 43,000. Management expenses increased to Rs. 88,226-2-5 though the expense ratio has dropped to 45.7 per cent., but the surplus shown by the year's receipts permits the addition of over Rs. 80,,000 to the Life Fund which stood at Rs. 155,498-7 on December 31, 1937. There is no doubt that the life branch established in 1933 continues to make steady progress and the more than proportionate increase in the Life Fund stands out as the most satisfactory feature of the accounts.

The first valuation conducted by the actuary disclosed a surplus which has been applied to the declaration of a bonus at the rate of 1¼ per cent on whole life policies and 1 per cent on other classes. The profit and loss account shows total receipts of Rs. 70,067-3-8 from which charges for depreciation, director's fees etc., are made, leaving Rs. 50,062-11-11 to be carried over to the balance sheet. Through the addition of 17,925-13-8 brought down from 1936, the Directors have Rs. 67,988 available for distribution. A dividend of Rs. 2-8-0 plus a bonus of 0-4-0 to the shareholders takes Rs. 58,170-12 and the staff get a bonus of Rs. 2,500 leaving the balance to be carried forward. The financial position remains gratifying. The paid up capital of Rs. 4,23,060 is supported by the Reserve Fund of Rs. 3,07,510-9. The Fire Fund of Rs. 250,000 and the Life Fund of Rs. 155,498-7 are backed by an Investment Depreciation Reserve of Rs. 213,000 and a Building Depreciation Fund of Rs. 22,000. Liabilities in regard to claims, deposits, taxes etc., are shown in the balance-sheet at Rs. 94,504-10-4. Against total liabili-

ties amounting to Rs. 16,63,835-0-10 the company has over Rs. 5.55 lakhs invested in government and other securities whose market value exceeds the cost and immovable properties valued Rs. 5,49,740-12-6 besides other assets. The company continues to pursue a conservative policy and its stability has been achieved without striving for ostentatious successes. The IndianMercantile commands support more on account of its age and soundness and though the last year brought no considerable increase in either business or revenue, the report and accounts reflect fully the general improvement in insurance business.

Fire Account.

(In thousands of Rs.)

	1935.	1936.	1937.
Premiums (Net) ...	1,12	1,07	1,11
Claims	34	6	5
Expenses	64	63	94
Reserves	2,30	2,40	2,50
Ratio of claims to Premium	30.3%	5.6%	4.5%
Ratio of expenses to Premium ...	57.1%	58.9%	84.7%
Ratio of reserves to Premium	205.3%	222.4%	225.0%

Life Account.

(In thousands of Rs.)

No. of policies ...	6,56	7,23	8,41
Amount assured ...	11,39	12,45	16,06
Premiums	69	95	193
Claims	6	15	43
Expenses	74	74	88
Life fund at the end of the year ...	24	1,01	1,53

Balance Sheet.

(In thousands of Rs.)

	1935.	1936.	1937.
Liabilities—			
Capital	4,23	4,23	4,23
Fire Fund	2,30	2,40	2,50
Reserve Funds ...	5,10	5,47	4,85
Outstanding liabilities of Life Assurance Fund	1,27	1,17	1,22
Other liabilities ..	2,36	1.92	3,84
Total ...	15,31	15,19	16,64
Assets—			
Giltedge securities ...	9,43	5,56	5,44
Property	3,73	5,50	5,50
Outstanding Premiums and rents ...	62	36	42
Cash	27	1,28	35
Other Assets ...	1,26	2,49	4,93
Total ...	15,31	15,19	16,64

THE INDIAN LIFE ASSURANCE CO., LTD.

(Established in 1892)

Head Office:—**Karachi.**

The Indian Life Assurance Company of Karachi is one of the soundest Indian life offices and though it has been in existence for the past forty-four years, it is comparatively unknown in provinces other than that of its origin. There can be no denying the fact that its management has all along been on the most scientific, economic and sound lines and that its progress has been one of steady growth from strength to strength. It should, at the same time, be admitted that it has been extremely conservative in the expansion of its business. Its new business seems never to have exceeded Rs. 15 lakhs, though its total business in force has been built up to Rs. 2 crores nearly. Its total premium income has been round about the same figure of Rs. 7 lakhs during the past few years; its life fund is being increased gradually and stood at Rs. 84.2 lakhs on May 31, 1937. We understand that the Indian Life has only recently begun to pursue a policy of expansion, and we have no hesitation in predicting a very successful career for a company of its strength, soundness and economic management.

The forty-fifth annual accounts and report of the Company for the year ending May 31, 1937, afford satisfactory reading and show clear signs of the Company's expansion policy. The new business of the Company has increased from 569 policies in 1936 to 686 policies during the year under review, the amounts assured having been increased to Rs. 11.48 lakhs from Rs. 9,69,000. The total premium income derived during the year amounted to Rs. 7,13,483 as against Rs. 7,06,000 in the previous year. The total business in force was 8,190 policies assuring a sum of Rs. 1.82 crores; interest, dividends and rents fetched a sum of Rs. 2,84,374 and is given credit in the Revenue Account according to their Articles of Association at $3\frac{1}{2}$ per cent. On the disbursements side, claims by death and by maturity took a sum of Rs. 5,10,157 and management expenses absorbed a sum of Rs. 1,20,315, of which only Rs. 85,308 is debited in the Revenue Account according to their Articles of Association (at 50 per cent. on the new premiums received and 10 per cent. on the renewal premiums received). The over all expense ratio works

out to 16.8 per cent., which is perhaps the lowest among Indian life offices and this is due to the very small ratio of the Company's new business to its total business in force. The life fund at the end of the year has been increased by Rs. 3.16 lakhs to Rs. 84.26 lakhs.

The balance sheet of the Company as on May 31, 1937, shows, on the liabilities side, a paid-up capital of Rs. 1,45,000, a life fund of Rs. 84.26 lakhs an investment reserve fund of Rs. 7.27 lakhs, a shareholders' reserve fund of Rs. 9,14,000, outstanding claims of Rs. 1.98 lakhs and other miscellaneous liabilities amounting Rs. 16 lakhs. On the assets side, more than 90 per cent. of the total assets (Rs. 120 lakhs) amounting to Rs. 1,02 lakhs, is invested in purely government securities. Of the balance, policy loans amount to Rs. 5.6 lakhs, mortgage loans amount to Rs. .77 lakhs, house properties amount to Rs. 5.63 lakhs and other miscellaneous assets amount to Rs. 3.7 lakhs. The government securities are all taken credit for at par value Appreciation in their market values will serve as an additional inner reserve besides the fairly large amount of investment reserve fund provided by the Company. It will be thus seen that the financial strength of the Company is, beyond all doubts, great.

Life Account

(In thousands of Rs.)

New Business—	1935	1936	1937
No. of Policies ...	3,21	5,69	6,86
Sum Assured ...	5,21	9,96	11,48
Premium income ...	26	53	59
Total premiums .	7,03	7,06	7,13
Life Fund at the beginning of the year ..	75,37	78,30	81,10
Life Fund at the end of the year ...	78,30	81,10	84,26
Net increase ...	3,07	2,80	3,16
Claims ...	5,17	5,06	4,90
Expenses ...	1,01	81	1,20
Ratio of expenses to Premiums ...	14·3%	15·0%	16.8%

Balance Sheet.

Liabilities—			
Capital ...	1,45	1,45	1,45
Life Assurance Fund	78,30	81,10	84,26
Shareholders' Reserve Fund ...	8,64	9,14	9,14
Claims outstanding ...	2,20	2,26	1,98
Other items ...	27,92	24,66	23,79
Total ...	1,18,51	1,18,61	1,20,62
Assets—			
Giltedged securities ...	91,32	94,30	94,20
Other approved securities ...	11,48	8,48	8,48
Total approved securities	102,80	102,78	102,68
Building and House Property ...	6,00	5,81	5,64
Cash ...	25	3,32	3,68
Other items ...	9,46	9,40	8,62
Total	1,18,51	1,18,61	1,20,62

INDUSTRIAL AND PRUDENTIAL ASSURANCE CO., LTD.

The Industrial and Prudential Assurance Company continues to make steady and unostentatious progress and the report for the year ending December 31, 1937 indicates that, even if there is no striking feature, the company has shared in the general improvement noticed in insurance business. New business secured during the year 1937 resulted in the issue of 5,141 policies out of 6,266 proposals received and the value of new business, namely, Rs. 94.3 lakhs was about Rs. 1½ lakhs higher than in the previous year. While the ordinary branch shows satisfactory growth, the industrial branch, intended to interest the wage-earner by the issue of policies for the sum of Rs. 250, proved rather disappointing, and new business for Rs. 3,,000 on the 12 policies issued may be regarded as negligible. The total value of business carried on the books of the company at the end of 1937 on 22,909 policies issued was over Rs. 4.74 crores out of which Rs. 14.5 lakhs was subject to reinsurance. Premium income in the year amounted to Rs. 26.16 lakhs out of which Rs. 75,960-12 was paid out in reinsuring a part of the risks, and the net income was thus about Rs. 25.4 lakhs as against Rs. 21.7 lakhs in 1936. The revenue account shows interest and other receipts at over Rs. 2.91 lakhs. Disbursements in respect of claims amounted to Rs. 6.91 lakhs, and the management expenses inclusive of commissions was about Rs. 7.1 lakhs. After provision is made for taxes, depreciation and payments of surrender value, the revenue account shows the Life Assurance Fund at Rs. 88.41 lakhs as against Rs. 74.98 lakhs at the beginning of the year.

The balance sheet makes a very satisfactory showing with a Life Fund of over

Rs. 88.4 lakhs and Reserves of about **Rs. 2.6 lakhs. Capital is Rs. 2,18,700 and** claims ioutstanding are shown at Rs. 2.91 **lakhs, but have been reduced since by** about Rs. 1.2 lakhs. Debts due by the company in respect of taxes, dividends, premium deposits, etc., are shown at about Rs. 1.18 lakhs. On the assets side, investments **in Government, Municipal and Port** Trust securities to the value of Rs. 81.87 **lakhs are shown at cost, and only a small part has been laid out in India sterling** stocks and a smaller part in light railway **and bank shares. Advances on mortgages** amount to Rs. 2.09 lakhs and loans to policyholders are shown at Rs. 6.3 lakhs. The deposits of £1,149-4-5 and **Rs. 1,00,000 are included in the assets column, and cash items amounting to over** Rs. 1.74 lakhs provide an adequate margin for meeting any exceptional calls. It is **scarcely necessary to draw attention to the** difference of over Rs. 7.6 lakhs between the **cost and the market value of the company's** investments as on December 31, 1937, and **in spite of the setback in recent months, the appreciation in values constitutes an** internal reserve of fair dimensions. The balance sheet, in which assets have risen during the year by over Rs. 13 lakhs, indicates a very sound position, and the Directors and managing agents, who have always displayed great judgment and skill in the conduct of the company's affairs should be congratulated for their contribution to the continued growth of the company on healthy lines.

Life Account

(In thousands of Rupees)

	1935	1936	1937
Number of Policies	4,751	49,16	51,41
Amount ...	83,53	91,80	94,32
Premiums ...	19,42	21,70	25,40
Claims ...	5,99	5,77	7,10
Expenses ...	5,38	6,40	...
Life Fund at the beginning of the year	53,36	62,92	74,99
Life Fund at the end of the year ..	62,92	74,99	88,41
Net increase ...	9,56	12,07	13,42
Ratio of expenses to premium ...	28·7%	29·5%	27·9%

Balance Sheets

Liabilities—	1935	1936	1937
Capital ...	2,19	2,19	2,19
Claims Outstanding	2,90	2,45	2,91
Reserve Funds ..	2,40	2,62	2,62
Life Funds ...	62,92	74,99	88,41
Total Funds ...	65,32	77,61	91,03
Other items .	77	143	122
Total	71,18	83,39	97,35

	1935	1936	1937
Assts—			
Giltedged securities...	20,70	17,37	16,42
Other approved securities ...	36,55	50,92	60,21
Total approved securities ...	57,25	68,29	76,63
Percentage of approved securities to Life fund less policy Loans ...	99·7%	99·3%	95·1%
Other investments ...	9	3,17	5,24
Loans on Life Policies ...	5,46	6,19	7,96
Other Loans and Mortgages ...	...	1,56	2,10
House Property ...	...	...	26
Cash	84	98	1,74
Other items ...	7,54	3,20	3,42
Total ...	71,18	83,39	97,35

JUPITER GENERAL INSURANCE COMPANY, LTD.

(Established 1919)

Head Office:—Bombay.

The Jupiter has had a good year. The net profit for the year ended June 30, 1937 carried to the balance-sheet amounted to Rs. 1,61,502-- a satisfactory result to which all branches of the company's business contributed. In the fire department, the net premium income, after reducting re-insurances, amounted to Rs. 12,81,651 and the losses on claims paid and outstanding came to Rs. 4,42,284 working out at 34.51 per cent. of the premium revenue. The total expenses of this department came to Rs. 7,75,113 amounting to 60.48 per cent of the premium received for the year. The Fire Fund at Rs. 9 lakhs is equivalent to 70.22 per cent. of the premium income. Rs. 52,278 was carried to the profit and loss account. The net receipts in the Marine branch totalleu Rs. 1,81,909 and outgoings in respect of claims paid and admitted took up Rs. 1,24,157 representing 68.25 pei cent. of the premium income. Expenses, however, appear to have been on the high side at Rs. 96,159. The profit and loss account received Rs. 31,507 and the Marine Fund at Rs. 230,000 is well in excess of the year's premium income. Revenue from the accident department totalling Rs. 1,85,726 suffered a dimunition of Rs. 96,805 through payments in regard to claims, equivalent to 52.12 per cent. of the premium income. Total expenditure on this branch amounted to Rs. 90,903, that is to say, 48.94 per cent. of the premium in-

LAKSHMI FIGURES RUN IN CRORES

POLICIES ISSUED IN 1937-38

ONE CRORE AND SIXTY ONE LACS

LIFE FUND

OVER ONE CRORE

"A record event in the Life Assurance history . . . . and certainly an unprecedented event in the history of Life Assurance in India . . . . The Company is well known for prompt settlement of claims . . . . The Company is now occupying an unique position in the insurance world."

This is what the "Policy" of London remarked on the occasion of our last valuation in 1936.

BONUS

WHOLE LIFE	- - -	Rs. **20** per 1,000
ENDOWMENT	- -	Rs. **16** per 1,000

Policies suitable to all tastes and pockets issued, such as Family Income and Children's Education Career, etc.

THE LAKSHMI INSURANCE

COMPANY, LIMITED.

Head Office:

"LAKSHMI BUILDING," LAHORE.

Calcutta Branch:

"LAKSHMI BUILDING," 7, ESPLANADE EAST.

Other Branches at:

BOMBAY, MADRAS, DELHI, AGRA, KARACHI, PATNA, HYDERABAD (Dn.), NAGPUR and MOMBASA (Kenya).

come. The Accident Fund is maintained at Rs. 1,20,000 equal to 64.61 per cent. of the premium income. Transfer from the profit and loss account of Rs. 1,617 to this branch leaves its stronger.

A satisfactory increase in life business is attested in the larger number of policies, namely 987, issued assuring a total sum of Rs. 16,90,250, the premium thereon being Rs. 2,87,684. Inclusive of bonus Rs. 43,665 was paid out in respect of claims. The total revenue in this branch from premiums received came to Rs. 6,45,647 and interest fees etc., to Rs. 34,095. Total disbursements amounted to Rs. 2,24,940, leaving a credit balance of Rs. 4,54,802. This has been utilised to strengthen the Life Fund raising it from Rs. 8,23,353 to Rs. 12,78,165. The total value of assurances in force at the end of the year amounted to Rs. 79,49,195. Besides the transfer of profits from the fire and marine branches, interest and profit on investments etc. brought in Rs. 1,13,350. After making certain adjustments, the profit is shown at Rs. 1,76,523, which aided to the sum of Rs. 14,303-5-10 brought down from the past year, left Rs. 1,61,502 available for distribution. Dividends on ordinary and preference shares at 5 per cent. and 6½ per cent. respectively absorbed Rs. 93,747 and Rs. 32,478 respectively. The sum of Rs. 25,477, is carried forward to the next year's account, and the Directors' proposal to give a month's salary as bonus to the staff amounting to Rs. 9,800 received the sanction of the shareholders at the annual meeting.

Changes in the balance-sheet call for little notice. The funds of the company increased by Rs. 4,54,797 to Rs. 53,76,845 Part of the company's investments is in U. S. securities, mostly railroad and utility stocks, which should have shown a fair profit through capital appreciation in the course of the year, but are shown at book cost. The total value of investments stood at Rs. 38,75,74 and cash assets and outstanding balances receivable are shown at Rs. 2,44,340 and Rs. 8,37,655. In view of the market value of investments exceeding the book value by over Rs. 23,12,82 the end of the year, no appropriations have been made to a depreciation, but the balance-sheet show the security depreciation fund at Rs. 2,20,000 and the reserve for bad and doubtful debts at Rs. 80,000.

In a field in which competition is admittedly keen, the company more than held its own and improved its position. During the eighteen years of the company's working there is little doubt that the Managing Agents' influential connections have stood the company in good stead.

Life Account

(In thousands of Rs.)

New Business—	1934-35	1935-36	1936-37
Policies issued ...	794	957	887
Amount ...	14,84	16,30	16,90
Premiums on New Business ...	84	1,07	2,85
Total Premiums ...	3,62	4,17	6,46
Claims ...	73	80	42
Expenses ...	1,24	1,45	1,62
Life fund at the beginning of the year ...	4,59	6,25	8,23
Life fund at the end of year ...	6,25	8,23	12,78
Ratio of expenses to premium ...	34,3	34,8	25,08

Fire Account.

Premiums ...	12,85	12,97	12,82
Claims	4,81	5,05	4,42
Expenses ..	7,20	7,03	7,75
Total Reserves ..	8,80	8,80	7,29
Ratio of claims to premium ..	37·4%	38·9%	34·5%
Ratio of expenses to premium ...	40·0%	54·2%	69·5%
Ratio of reserves to premium ...	68·5%	67·85%	56·9%

Marine Account

Premiums ...	1,71	2,01	1,82
Claims ...	23	49	1,24
Expenses ..	1,15	1,23	96
Total reserves ...	2,25	2,25	2,30
Ratio of claims to premium ...	13·4%	24·6%	68·3%
Ratio of expenses to Premium ...	67·44%	61·4%	52·9%
Ratio of reserves to premium ...	131·53%	114·61%	126·37%

Accident Account

Premiums ...	1,35	1,61	1,86
Claims ...	60	76	97
Expenses ...	74	81	91
Total reserves ...	1,10	1,20	1,20
Raito of claims to premium ...	44·9%	47·5%	52·1%
Ratio of expenses to premium ...	55·0%	50·1%	48·9%
Ratio of reserves to premium ..	81·7%	74·56%	64·6%

Balance Sheet as at 30th June

	1935	1936	1937
Liabilities—			
Capital paid up ...	23,75	23,75	23,75

Funds—			
Life	6,25	8,23	12,78
Fire	8,80	9,00	9,00
Marine	2,25	2,30	2,30
Accident ...	1,10	1,20	1,20
Provident ...	1,41	1,54	1,54
Reserves ...	3,21	3,21	3,21
Total ...	23,02	25,48	30,03
Sundry liabilities ...	10,48	10,78	10,01
P. & L a/c Balance ...	1,50	1,91	1.62
Total ...	58,75	61,92	65,41
Assets—			
Investments ...	43,60	44,57	47,98
Outstanding Balances	11,63	10,89	13,80
Cash	2,92	6,05	3,02
Other assets ...	60	41	61
Total ...	58,75	61,92	65,41

Profit and Loss Account as at 30th June

	1935	1936	1937
Receipts			
Brought forward ...	13	14	55
Transferred from —			
Fire Account ...	54	52	91
Marine	34	30	...
Accident ...	3	...	2
Interest	114	102	100
Other items ...	21	52	13
Total ...	239	250	261
Disbursements –			
Allocations including depreciation	10	12	41
Dividend ...	126	126	126
Other expenses ...	89	57	69
Carry forward ...	14	55	25
Total ...	239	250	261

THE LAKSHMI INSURANCE CO., LD.

(Established 1924)

Head Office: LAHORE.

The vigorous adolescence of the Lakshmi Insurance Company is amply borne out by the rapid and gratifying progress of recent years. Heartening as the results of the past few years have been, they are eclipsed by those recorded in the year ending April 1937. New business amounted to over Rs. 1.5 crores in respect of 8,254 policies issued. The new business yielded a premium income of over Rs. 7.7 lakhs. The rapid development of the Company since its establishment in 1924 has been the subject of favourable comment, which has translated itself into the epithet, the 'Infant Prodigy,' well deserved indeed in the circumstances.

Though much lower in the gradation in point of age, in point of importance generally and the volume of new business in particular, the Lakshmi has now to be reckoned amongst the first ten Indian life offices. During the past four years the new business of the company has exceeded the one crore mark and during the year under review the company has shown exceptionally good progress and the life fund at the end of 1935-36 stood at Rs. 69.6 lakhs. The new business completed by the company during the year 1936-37, exceeded Rs. 1.5 crores. Such rapid progress combined with the gradual strengthening of financial resources is indeed unique in the history of Indian Life insurance business.

During the year ending 30th April, 1937, the Company received 9,589 proposals amounting to Rs. 1.84 crores and of these 8.254 proposals resulted into policies assuring a sum of Rs. 1.51 crores. The total income during the year amounted to Rs. 32.17 lakhs of which the premium income represented a sum of Rs. 28.52 lakhs. On the outgo side claims by death and maturity took Rs. 5.28 lakhs while management expenses absorbed Rs. 10.22 lakhs. The expense ratio at 34.7 per cent. shows a slight increase compared with that of the previous year. This is indeed remarkable in a year when the new business of the company has increased further. The life fund at the end of the year stands at Rs. 85.84 lakhs showing a considerable increase over the last year's amount. The total assets amounting to Rs. 95.25 lakhs are scientifically distributed. Another noteworthy feature of this year is the creation of an investment reserve of Rs. 1 lakhs. The management is in the hands of Pandit K. Santanam to whom a great part of the credit for the sturdy growth is due.

The third valuation of the Company disclosed a wholly satisfactory state of affairs and the increase in the rates of bonus to Rs. 16 per 1,000 on Endowment policies and Rs. 20 per 1,000 on whole life policies from the surplus of assets should contribute to the further popularity of the Company.

(In Thousands of Rs.)

New Business—	1934-35	1935-36	1936-37
Number of policies (actual) ...	6,708	7,677	8,254
Amount assured ...	1,20,60	1,40,17	1,51,12
New Premiums ...	4,81	5,69	7,71
Total Premiums ...	20,86	24,24	28,52
Claims	3,47	6,11	5,28
Expenses ..	7,10	8,41	10,22
Life fund at the beginning of the year ...	49,09	59,13	69,64
Life fund at the end of the year ...	59,13	69,64	85,85
Net increase ...	10,04	10,51	16,21
Ratio Expenses to Premiums	84·0%	34·7%	...

Balance Sheet.

Liabilities—			
Capital	1,01	1,01	1,01
Life fund ...	59,13	69,64	85,65
Outstanding claims ...	1,10	1,79	2,41
Other Items ...	5,40	6,82	6,19
Total ...	66,64	79,26	95,26

Assets—			
Giltedged and other approved Securities ...	13,78	18,09	14,22
Other approved securities	9,39	10,08	15.32
Total approved securities ..	23,37	28,17	29,54
Percentage of approved Securities to life assurance fund less policy loans	41·5	42·7%	36·3%
Other stocks and shares	67	3,42	3,61
Loans on ompany's policies ...	2,75	3,64	4,58
Other loans and Mortgages ...	19,70	18,56	21,66
House Property ..	11,48	16,70	19,69
Cash	3,38	2,92	5,66
Other Items ...	5,29	5,85	7,52
Total ...	66,64	79,26	95,26

THE METROPOLITAN INSURANCE COMPANY, LTD.

(Established 1930)

Head Office:—28, Pollock St., Calcutta.

Another vigorous infant, the Metropolitan, has given evidence of greater vitality in the last year. Started in 1930, the Company secured new business to the value of nearly Rs. 40 lakhs. In the second year, it rose by Rs. 2½ lakhs and in the third it increased by another Rs. 2 lakhs. The results for the year ended March 31, 1937, are even more flattering. New business resulted in the issue of policies for over Rs. 72.86 lakhs. A more encouraging index is the gradual fall in the expense ratio from 56.2 per cent. in 1936 to 53.1 per cent. in 1937. The Life Fund has grown steadily and stood at Rs. 7.01 lakhs at the end of March, 1937, as against Rs. 4.74 lakhs at the beginning for the year.

The Company's more stable position is indicated in the deposit of Rs. 3 lakhs worth of securities with the Government. Claims have risen from Rs. 70,000 to 1,16,685.

The first valuation of the Company by the Company's actuary permitted the declaration of a bonus at Rs. 15 and Rs. 11 per 1000 per annum on whole life and endowment policies respectively. The revenue account shows a total premium revenue of Rs. 7.13 lakhs and interest receipts of Rs. 28,908. In the balance sheet, the Life Fund of Rs. 7.01 lakhs and the capital of Rs. 1 lakh are the principal liabilities. A small reserve of Rs. 5,000 for income-tax and super-tax and claims outstanding amounting to Rs. 4,82,128 are also shown. Out of the total assets, Rs. 2,76 lakhs have been invested in Government securities. A considerable proportion has been laid out in advances on the security of life policies and in loans to various joint stock companies at an average rate of 6 per cent. Cash items amount to Rs. 93,987 and the Company's outstanding premia, etc., amount to Rs. 54.392. The organisa tion of the Company has enabled it to give a good account of itself even during the first stage of its career, and aided by an influential directorate, progress in the coming years should be solid and uninterrupted.

(In Thousands of Rs.)

New Business—	1935	1936	1937
Sum assured ..	68,97	70,20	72,86
Total Premiums ...	5,76	6,06	7,13
Life fund at the beginning of the year ..	1,17	2,77	4,74
Life fund at the end of the year ...	2,77	4,74	7,01
Net increase ...	1,60	1,97	2,27
Claims	55	70	1,17
Expenses ...	3,78	3.57	3,95
Ratio of Expenses to Premium ...	63%	56.2%	53.1%

Balance Sheet.

Liabilities—			
Capital ...	1,00	1,00	1,00
Life Assurance fund ...	2,77	4.74	7,01
Claim outstanding ...	28	48	82
Other items ...	29	35	39
Total ...	4,34	6,57	9,22

Assets—			
Giltedge Securities ...	1,07	1,73	2,76
Other Approved Securities ...	...	...	...
Total Approved Securities ...	1,07	1,73	2,76
Percentage of approved securities to Life fund less policy loans	39·2%	45·8%	47·6%
Other Investmets ...	1,05	...	...
Loans on Life policies	4	96	1,21
Other mortgages and Loans	...	1,00	2,31
House property ...	...	...	...
Cash	34	57	94
Other items .	1,84	2,31	2,01
Total ...	4,34	6,57	9,22

NATIONAL INDIAN LIFE INSURANCE COMPANY

(Established 1907)

Head Office: CALCUTTA.

It is not long since the National Indian Life Insurance Company earnestly set about procuring a share of life insurance business in keeping with its age, its soundness and the influence and standing of its Managing Agents. The new regime began with the assumption of the Managership by Mr. S. P. Bose ; and considering the very short period he has been in charge, the progress that has been achieved must be deemed highly creditable. The National Indian never left anything to be desired in the matter of financial soundness ; and it is a matter for gratification that it has now made a good start in a career for expansion. The report for 1936 shows that the company passed through a year of encouraging results. In their report for 1937, the Directors observe that in the completion of business for over Rs. 55 lakhs in respect of 3,741 policies issued last year, out of 5,365 proposals received, the management has achieved a record for the company. The total income of the company increased from about Rs. 12,94,622 to Rs. 14.34 lakhs of which over Rs. 11.56 lakhs was secured from premiums paid, the contribution of new business done in 1937 being Rs. 2.89 lakhs. The Life Fund increased by Rs. 4.38 lakhs to over Rs. 61.68 lakhs. The total assets according to the accounts exceed Rs. 67 lakhs. Stock Exchange securities totalling over Rs. 41.79 lakhs are shown as per valuation on December 31, 1934, or at cost when acquired subsequent to that date. Advances on mortgages totalling Rs. 8.42 lakhs, about Rs. 9.36 lakhs invested in select prior charge securities and over Rs. 22.43 lakhs in loans of public bodies indicate a wholesome diversification of investments.

The marked increase in new business had a somewhat adverse effect on the expense ratio and the total expenditure on account of commissions, salaries etc. amounted to over Rs. 4.69 lakhs. But the new premium revenue of over Rs. 2.8 lakhs assisted in the raising of the Life Assurance Fund to over Rs. 61.6 lakhs. The Profit and Loss account is credited with Rs. 38,010-8 at the end of the year and the shareholders are to receive a dividend of 12½ per cent. Completing as it will do over 30 years of working this year, the company's progress, if not spectacular has been steady and sure. The balance sheet indicates that liabilities in respect of claims, bills, security deposits etc. are on the small side, while the assets column showing over Rs. 62 lakhs in securities and advances points to a very sound position, in which the assets have been distributed with judgment and skill. The vitality of life assurance in India is reflected in the progress made by the National Indian as by other older companies.

Life Account

(In thousands of Rupees)

New Business—	1935	1936	1937
No. of Policies ...	2,714	3,263	3,741
Net sum Assured ..	43,32	50,15	55,51
Net new Premiums ...	2,00	2,45	2,90
Total net Premiums ...	9,08	10,30	11,57
Interest ...	2,62	2,64	2,77
Claims by death ...	1,93	2,13	2,30
Claims by maturities	2,60	3,17	3,06
Commission and Expenses ...	3,59	4,30	4,69
Life fund at beginning of year ...	52,50	54,86	57,30
Life Fund at year end	54,86	57,30	61,68
Increase in Fund ...	2,36	2,44	4,38
Ratio of expenses to Premium ...	39·5%	41·8%	40·5%

Balance Sheet

Liabilities—	1935	1936	1937
Capital ...	1,00	1,00	1,00
Life Fund ...	54,86	57,30	61,68
Outstanding Claims ...	3,00	2,79	3,30
Other Items ...	1,24	1,28	1,27
Total ...	60,10	62,37	67,25

Assets—	1935	1936	1937
Giltedge ...	13,34	13,47	12,76
Other approved securities	16,37	16,38	9,67
Total approved securities	29,71	29,85	22,43
Other investments ...	6,68	9,73	19,73
Loans on life policies	7,77	8,13	8,04
Loans and Mortgages	12,53	8,83	12,51
Cash	65	2,65	1,38
Other Items ...	2,76	3,18	3,16
Total ...	60,10	62,37	67,25

NATIONAL INSURANCE COMPANY LIMITED

(Established 1906)

Head Office :—Calcutta.

Among the first-class life insurance companies of India, National may be singled out as probably the one company that has entertained a fine disdain for spectacular display of business figures. Its ambition has consisted chiefly in consolidating the strength and soundness of the company, and in seeing that business booked was of the cleanest and soundest type. During the past one decade, their new business has not shown any remarkable increase, standing as it does roundabout Rs. 1½ crores or Rs. 1¾ crores, with the result that many companies which were below National in the procuration of new business have now excelled it. It is true that the volume of new business is not the only or the main criterion in the assessment of the size and merits of a life office.

The annual report and accounts of the company for the year ending December 31, 1937 testify to progressive improvement in almost every respect. During the year under review, the company received 11,843 new proposals for sums aggregating to Rs. 2.19 crores of which 9,337 proposals resulted into policies assuring a sum of Rs. 1.69 crores which shows a decrease of about Rs. 6 lakhs compared to the previous year's figure. The total business in force at the end of the year amounted to 60,640 policies assuring a sum of Rs. 11½ crores. New and single premiums realised during the year were Rs. 7½ lakhs ; while renewal premiums exceeded Rs. 46 lakhs, the total premium income of the year showing an increase of more than Rs. 4 lakhs. Receipts from investments, less tax, exceeded Rs. 12.6 lakhs. On the disbursements side, claims by death accounted for Rs. 10¾ lakhs ; while those by maturity took Rs. 12¾ lakhs, management expenses including commission absorbed Rs. 15 lakhs working out to an expense ratio of 27.9 per cent. The operations of the year have enabled the company to create an excess of Rs. 22 lakhs in the income over the outgo and this sum is added to the life fund which, at the end of the year, stands at Rs. 295 lakhs.

The General branch transacting fire and accident insurance business, shows a premium income of Rs. 4.56 lakhs during the year under review. Like most other Indian general insurance concerns, the experience of National in the transaction of these two classes of insurance business is not quite happy. It is regrettable to note that the claims and the management expenses have absorbed the whole of the premium income. The meagre addition of Rs. 12,000 to the fire and accident fund is made possible only by a drain from the Profit and Loss account. The fire and accident fund standing at Rs. 1,15,000 or 25 per cent. of the premium income in obviously low. The enormous difficulties experienced by even old and well-established Indian general insurance companies, now-a-days, are still more aggravated in the case of newer entrants in the field. There are provisions in the New Insurance Act which are intended to remove partly, though not in full, the difficulties experienced in this line of business. But it should not be forgotten that mere statutory provisions, however stringent they may be, cannot do anything much in such removal. It is only the mutual co-operation, sincerity and goodwill of all the companies concerned in acting up to the spirit and letter of the law, that can help the growth of Indian general insurance buiness. We are glad to note that the Chairman of the company has forsibly pointed out this aspect of the working of the new Act in his speech.

The balance sheet of the company as on December 31, 1937 shows the liabilities and assets of the Life Department at Rs. 3.16 crores. The distribution of assets is quite sound and scientific. First mortgages on properties in India amount to Rs. 25.64 lakhs; house properties account for Rs. 29.76 lakhs, policy loans have absorbed Rs. 41.62 lakhs and investments at or below market price amount to Rs. 1,87.83 lakhs. Of the investments, more than Rs. 86 lakhs are in giltedged and government guaranteed securities—the balance of Rs. 1 crore being either in shares of joint stock companies or industrial debentures. The proportion of the latter type of invest-

ment is rather high. It is noteworthy that the market value of the securities on the date of the balance sheet was more than Rs. 7½ lakhs in execess of their book value.

Life Account.

(In thousands of Rs.)

	1935	1936	1937
New Business—			
Number (actual) ...	8,215	7,919	98,77
Amount ...	1,78,06	1,75,22	1,69,28
Premiums on New Business ..	7,62	7,91	8,56
Total premiums ..	49,35	44,20	53,62
Interest and dividends	11,58	13,21	12,60
Claims by death ...	9,27	8,18	10,75
Claims by maturity	10,65	13,11	12,72
Expenses ...	12,14	13,22	14,98
Life fund at the beginning of the year ...	2,24,62	2,52,84	2,72,67
Life fund at the end of year ..	2,52,84	2,72,67	2,94,93
Net increase in life fund ...	28,22	19,83	22,36
Ratio of expenses to premium ...	25.8%	26·8%	27·9%

Balance Sheet.

Liabilities—			
Capital	1,00	1,00	2,00
Life fund	2,52,84	2,72,67	2,94,98
Other funds	21,52	23,61	23,92
Total funds	2,74,36	2,96,28	3,18,85
Other items	4,46	2,74	1,90
Total	2,76,82	3,00,02	3,22,75
Assets—			
Giltedge securities ..	23,33	38,81	32,45
Other approved securities	49,00	47,46	46,13
Total approved securites	72,83	86,27	78,58
Percentage of approved securities to life fund less loans in Companies policies ...	33.4%	37.0%	31.0%
Other investments ...	98,49	99,98	1,15,10
Loans on Companies policies ...	[illegible]	3[illegible],44	41,62
Other loans and mortgages ...	23,01	25,91	25,64
House property ...	25,61	26,13	29,75
Cash ...	5,46	3,65	12,23
Other items ...	15,59	18,64	19,83
Total	2,76,82	3,00,02	3,22,75

Profit and Loss Account.

Receipts—			
Brought in ...	1,12	81	2,62
Transferred from Revenue accounts ...	...	1,94	7
Other items ...	7	7	22
Total ...	1,19	2,82	2,91
Disbursements—			
Dividend rate % ...	12	12	12
Dividend amount ..	12	12	112
Allocations ...	26	8	...
Transferred to Bablance Sheet ...	81	2,62	1,79
Total ...	119	2,82	2,91

NEW INDIA ASSURANCE CO., LTD.

(Established 1919)

The New India Assurance Company, India's biggest composite insurance company, has complied with the provision of the new insurance companies to close their accounts with the close of the calendar year. Accordingly, the directors of the Company have closed their latest year on December 31, 1937 instead of on March 31, 1938 and have brought out a report of their operations during the nine months April to December, 1937. This report shows the remarkable progress made by the Company in almost all its departments. The soundness of the company's finances is further enhanced and the reserve position of its various accounts is strengthened considerably during this period. The only exception is the Marine account which has suffered a slight setback in common with the experience of other companies.

The fire department has experienced quite satisfactory results, the net premiums received amounting to Rs. 21.56 lakhs. Claims paid during the period amounted to Rs. 8.34 lakhs, working out to a loss ratio of 38.7 per cent. which compares favourably with 46 per cent. of the previous year. Commission and management expenses absorbed Rs. 10.13 lakhs. A satisfactory surplus of Rs. 3.60 lakhs or 16.7 per cent. of the premium income has resulted, of which Rs. 2.20 lakhs is transferred to the Profit and Loss Account, the balance of Rs. 1.4 lakhs being added to the additional reserve. The combined reserves amount to Rs. 35.99 lakhs or 117.6 per cent. of the premium income as against 115.9 per cent. in the preceeding 12 months.

The marine account shows a premium income of Rs. 19.30 lakhs. The claim experience of the department during the period under review was very unfavourable ; and the actoal amount paid by way of loss amounted to Rs. 18.03 lakhs, the ration working out to 93 per cent. as against 81 per cent. in the previous year. Management expenses including commis-

sion took Rs. 3.54 lakhs or 18.3 per cent of the premium income. As a result of the operations fro the period, the marine insurance fund has decreased by Rs. 1.52 lakhs to Rs. 24.35 lakhs which is equivalent to 126 per cent. of the premium income.

The accident department shows a record of profits for several years, equivalent to 7.1 per cent. of the premium income. The net premiums received amounted to Rs. 7.51 lakhs ; and the claims paid to Rs. 4.37 lakhs. The surplus for the period amounted to Rs. 53,323, of which Rs. 28,323 is transferred to the profit and loss account and the balance of Rs. 25,000 is incorporated in the additional reserves. The combined reserves amounte to Rs. 9.69 lakhs amounting to 95.9 per cent. of the premiums.

During the nine months under review, the life department received 5,759 proposals for assurances amounting to Rs. 1.37 crores, of which 4,313 proposals resulted into policies assuring a sum of Rs. 1.01 crores. The total assurances in force at the end of the period were 27,718 policies assuring a sum of Rs. 6,86 crores. Total premiums amounted to Rs. 23.92 lakhs. Claims paid during the period absorbed Rs. 2.82 lakhs, while management expenses took Rs. 7.49 lakhs. The over-all expense ratio shows a further reduction of 2.4 per cent. at 31.5 per cent. Life Fund at the end of the period shows substantial increase of Rs. 14.67 lakhs and stands at Rs. 73.73 lakhs. The next triennial valuation of the liabilities and assets of the life department is due as at 31st March, 1939 but the Directors have decided to postpone the valuation date to December 31, 1939.

The general Balance Sheet of the Company as on December 31, 1937 shows the distribution of the total liabilities and assets amounting to Rs. 2.61 crores. The assets are all sound and safe. The securities are valued at or below cost ; and the appreciation in their market values as on the balance sheet date amount to Rs. 22.17 lakhs and the company has not taken credit for it. Besides, the company has kept intact the investment reserve fund of Rs. 5.92 lakhs The profit and loss account shows an available sum of Rs. 6.92 lakhs after the adjustment of all incomes and outgo. Of this amount, the directors have recommended the payment of a dividend of Rs. 1 per share which will absorb a sum ot Rs. 4.75 lakhs leaving a sum of Rs. 2.17 lakhs to be carried forward to the next year's account. That he leaves the company in a state of prosperity for each department and in an impregnable financial position, must be a proud reflection for Mr. R. J. Duff who is shortly retiring after his eighteen years' stewardship. Mr. Millard, who succeds him, enters on his duties in the most favourable circumstances. A business, which, perforce, must grow bigger and bigger year after year, is at once, a grave responsibility and a valuable opportunity.

Fire Account.

(In thousands of Rupees)

	1935	1936	1937*
Premium	35,92	29,42	21,56
Claims	16,91	13,54	834
Reserve at 40% of Premium	14,37	11,77	1,224
Additional reserve ..	22,10	22,35	23,75
Total reserve ...	36,47	34,12	35,99
Ratio of claims to Premium ...	47.3%	46%	34.%
Ratio of expenses to Premium ...	44.2%	45·2%	47%
Ratio of reserves to Premium ...	101.5	115·9%	117.6%

Marine Account.

	1935	1936	1937*
Premiums	19,45	21,20	19,30
Claims ...	16,23	17,13	18,03
Expenses	1,42	4,31	3,53
Total reserves	25,10	25,88	24,35
Ratio of claims to Premium ...	83.4%	81·3%	93.4%
Ratio of expenses to Premium	19.4%	20·3%	18.3%
Ratio of reserves to Premium	129.1%	122%	126.2%

Accident Account.

	1935	1936	1937*
Premiums ...	6.43	9,37	751
Claims... ...	2,68	4.28	437
Expenses ...	89	3,31	258
Reserve at 40% of Premium ...	2,57	375	404
Additional reserve ...	3,90	5,40	565
Total reserve	6,47	9,15	969
Ratio of claims to Premiums ...	41.7%	45.7	58.2%
Ratio of expenses of Premiums ...	37,5%	35.3%	34.4%
Ratio of reserves to Premium ...	100.7%	97.6%	129.0%

Life Account.

	1935	1936	1937
Nuwber of policies	6,309	71,80	4,313
Amount assured ...	1,41,02	1,67,00	1,01,39
Premium on new business ...	6,60	7,71	4,91
Total premiums	20,53	31,19	23,93
Ciaims by Death ...	211	259	248
Expenses ..	8,15	16,55	749
Life Fund at beginning of year ...	15,45	40.82	59,05
Life fund at year-end ...	26,34	52,06	73,73
Net increase in funds ...	10,89	13,24	14,68
Ratio of Expenses to Premium ...	39.7%	33.9%	31.5%

Balance Sheet.

Liabilties—

Capital ...	71,91	71,21	71,21
Fire Fund ...	36,46	34,12	35,99
Marine Fund ...	25,10	25,68	24,85
Accident Fund ...	6,47	9,15	9,69
Life Fund ...	26,84	52,06	73,73
Other Reserve Funds ...	7,32	16,40	18,76
Amounts due to other Companies ...	3,03	3,71	4,40
Outstanding claims ...	5,00	5,01	8,89
Other Liabilities ...	38,78	26,51	14,10
Total ...	2,20,36	2,43,08	2.61,12

	1935	1936	1937*
Giltedged securities ...	119,55	117,05	124,42
Other approved securities ...	30,68	49,01	56,41
Total approved securities ...	150,23	166,06	180,83
Other investment ...	23,74	22,14	23,47
Loans on Life policies	91	1,40	1,97
Other Loans and mortgages ...	7,20	8,36	8,56
House property ...	1,50	52	19
Cash ...	11,92	14,87	16,86
Other items ...	25,86	29,68	29,74
Total	2,20,36	2,48,08	2,61,12

* Accounts for 1937 represnt only 9 Months period.

THE ORIENTAL GOVT. SECY. LIFE ASSURANCE CO., LTD.

The progress of the Oriental Life Assurance Company has been steady and sure, and though the 1937 report discloses no breath-taking stories of 'records,' there is everything to indicate that Oriental retains its leadership among Indian life insurance companies. The annual meeting on June 1, at Bombay would have digested with pleasure the information conveyed in the Directors, report and accounts. There is no doubt that the Companies secured its full share of the trade recovery allied with the increasing public appreciation of life insurance as an admirable form of saving, and the new business secured resulted in the issue of 55,228 policies for a total sum of Rs. 9.97 crores, the annual premium revenue thereon being nearly Rs. 55 lakhs. The year's addition raises the total number of policies issued to 360,034 for a total value of Rs. 73.26 crores of which Rs. 32.19 lakhs is re-insured. The revenue returns made in compliance with the law show that premium income has risen to over Rs. 3.27 crores while claims (inclusive of those admitted or intimated) amounted to only Rs. 1.2 crores. The fortunate experience of the previous years with regard to claims —the 1937 ratio being only 48.7 per cent. of expectation—was again noticeable and the increase on the previous year's total is quite small as the Chairman observed at the annual meeting.

The revenue account shows that premium income in 1937 advanced by Rs. 28.35 lakhs to over Rs. 3.27 crores and net interest receipts exceeded Rs. 90.4 lakhs. Consideration for annuities, transfer fees and sundry receipts brought up the total to over Rs. 4.19 crores. Apart from claims amounting to Rs. 1.27 crores, the other disbursements remained moderate, and the expenses ratio is unchanged at 22.9 per cent. Surrenders, bonus payments and other items took inconsiderable sums, and the revenue account shows as surplus of Rs. 1.88 crores under receipts. The addition to the Company's funds is used to strengthen both the Trust Fund and the balance of the Life Fund, while the Contingencies Reserve also gets an increment. At the end of the year, the Funds exceeded Rs. 21.23 crores as against Rs. 19.35 crores at the beginning of 1938. The conservative financial policy of the company is shown in the provision for writing on investments and the depreciation on furniture, machinery, etc.

The company's investments may be said to show no change. Over Rs. 21 crores belonging to the Funds are held in gilt-edge securities, of which over a third is in the form of sterling securities. The Company's policyholders have been helped with loans to the value of Rs. 2.17 crores, and house property belonging to the company is shown at Rs. 62.02 lakhs. The financial position undoubtedly reflects great strength, and the company has the benefit of a substantial internal reserve arising from the difference between the market value and the ledger value of the investments. As was mentioned last year, the Board decided to value investments made prior to 1937 on the basis of a gross interest yield of $4\frac{3}{8}$ per cent. no security being taken credit for above its par value, and those acquired subseqeuntly are shown at cost or under. In cases where unforseen depreciation occurs, even though the securities remain above par, the company is making provision for writing off year by year a proportion of the premium and the 1937 accounts show that a beginning has been made. The difficulty of finding adequately profitable employment for new money accounts for the decline in the average rate of interest earned on the Company's funds from 4.7 to

4.59 per cent. after deduction of tax. The dividend and staff bonus show no change on the previous year, and shareholders to whom the report and accounts were presented were informed by Sir P. Thakurdas that the reduced bonus declared at the last valuation had little or no effect on new business, and that policyholders, old and new, taking out policies appreciated the reasons given for the reduction of bonus.

(In thousands of Rs.)

	1935	1936	1937
No. of policies issued ..	48,858	56,296	55,228
Sum Assnred ..	8,89,89	10,26,30	9,97,94
Premium from new business ...	50,05	57,90	54 93
Total premium incolme ...	2,66,21	2,99,10	3,27,45
Interest ...	76,98	82,34	90,41
Claims by death ...	55,68	56,49	57,79
Claims by maturity... ...	57,65	62,95	69,62
Commission and expenses ...	59,62	68,45	75,04
Lifed at beginning of year ...	15,14,65	16,62,22	19,20,88
Life Fund at end of year ...	16,62,22	19,20,88	21,08,39
Ratio of expenses to premium ...	22.4%	22.9%	22.9%
Dividend rate % per annum ...	62½%	62½%	62½%

Balance sheet as at 31st December

Liabilities—	1935	1936	1937
Capital (paid up)...	6,00	6,00	6,00
Funds—			
Life Assurance Fund	16,62,22	19,20,88	21,08,39
Contingencies Reserve Fund ...	5,99	5,99	6,07
Investment Reserves	25,00	...	...
Building Fund ...	2,42	2,58	2.75
Total	16,95,63	19,29,45	21,17,21
Claims ...	43,01	40,39	46,78
Sundry liabilities ...	18,10	28,16	30,06
Total ...	17,62,74	20,04,00	22,00,05

Assets—			
Investment—			
Giltedge (Government Paper ...	13.02,51	15,00,12	16,62,94
Bonds (Trustee Securities and debentures ...	1,84,67	1,40,79	1,51,38
Outstanding balances	2,56,72	2,78,58	3,00,76
Cash	16,86	29,90	19,22
Fixed Assets ...	51,98	54,61	65,75
Total ...	17,62,74	20,04,00	22,00,05

TRITON INSURANCE

The report accounts of the Triton Insurance Co., would for the year ended December 31, 1937, indicate that the Triton has passed through another prosperous year, and as ever the general position of the Company leaves nothing to be desired. As against total premium receipts of Rs. 8,45,974 outgoings amounted to Rs. 4,10,418. Interest on investments and transfer fees brought in Rs. 2,03,357 while commission and expenses accounted for a disbursement of Rs. 3,48,805. Together with Rs. 84,136 brought down from the previous year the total receipts provide a surplus of Rs. 3,56,063 out of which Rs. 70,000 has been added to Underwriting Suspense Account, raising it to Rs. 4,16,280. The Directors recommend a dividend at the rate of 40 per cent absorbing Rs. 2,30,000 and the balance of Rs. 51,063 carried forward. The funds to the credit of General Reserve stands at Rs. 4,50,000 and the reserve against depreciation of investments is maintained at Rs. 3,00,000, the General Reserve for Exceptional losses stands at Rs. 26,75,000. The balance-sheet discloses an exceptionally strong position. While shareholders' capital shows no change at Rs. 5,75,000 the reserves totalling over Rs. 39½ lakhs point to an extraordinarily generous recognition of obligations to policyholders and an unflagging pursuit of security so that the addition of only Rs 75,000 to Underwriting Suspense Account this year will occasion little surprise. Total property and assets according to the balance-sheet (shown at cost) amount to Rs. 48,62,557, practically the entire sum being invested in guilt-edged stocks, Indian and Dominion. Of investments, in virtue of their capital appreciation, it seems worth while to point out that over Rs. 23 lakhs have been invested in the 5 per cent. 1945-55 tax-free loan and over Rs. 10 lakhs in the 4 per cent. 1960—70 loan. Balance-sheet items relating to liabilities amount to Rs. 4,21,125, but the revenue profit amounting to Rs. 2,81,063 more than permits the maintenance of the rate of dividend and the higher carry-forward. The further addition to the Underwriting Suspense Account against unexpired risks reflects the habitual caution of the Directors. With disclosed reserves now nearly 5 times the premium income, 1937 may be deemed a year that can well bear comparison with the previous year and the increase in premium revenue, although slight, and accompanied by an increase in respect of claims constitutes an encouraging

feature. The reduction from the previous year's ratio of expenses to premiums is an index of the very satisfactory financial position of a company that in point of soundness stands very high among insurance companies in India or even abroad.

	Net Premium Income
	Rs.
1931	6,91,161
1932	6,51,811
1933	6,56,797
1934	7,25,190
1935	8,02,898
1936	8,08,410
1937	8,45,974

The total reserves amount to Rs. 36,00,000. The reserves are made up as under :

	Rs.
General Reserve for exceptional losses	26,75,000
General Reserve Fund ...	4,50,000
Accident Reserve Fund ...	1,00,000
Underwritting Suspense Account	75,000
Reserve against depreciation of investments ...	3,00,000
	36,00,000

Revenue Account

(In thousands of Rs.)

	1935	1936	1937
Premiums ...	8,03	8,08	8,46
Claims	3,15	4,12	4,10
Expenses	3,64	3,41	3,48
Reserve Funds ...	35,25	35,25	3,58
Ratio of Claims to Premiums ...	32.5%	39.2%	51.0%
Ratio of Expenses to Premiums ...	50.5%	45.3%	42.2%
Ratio of Reserves to Premiums ...	486%	401.6%	436.3%

Balance Sheet

Liabilities—	1935	1936	1937
Capital ...	5,75	5,75	5,75
General Reserve Fund for exceptional loses	26,75	26,75	26,75
Other Reserve Fund ...	8,50	8,50	8,50
Underwriting Suspense Account ...	4,21	4,41	4,16
Debts due by the Company ...	3,48	4,72	4,21
Other items ...	2,99	3,22	2,91
Total ...	51,68	53,35	52,28

Assets—			
Giltedged securities ...	42,88	43,93	44,18
Other approved securities			
Total approved securities	42,88	43,93	44,18
Other stocks and shares	4,40	4,52	4,50
Loans on Company's Policies ...			
Other mortgages and loans			
House property ...			
Cash ...	1,02	95	62
Other items ...	3,38	3,95	3,08
Total ...	51,68	53,35	52,28

Profit and Loss Account.

Receipts—			
Brought forward ...	78	69	84
Interest, etc. ...	...	...	...
Other items ...	3,45	3,24	3,05
Total ...	4,23	3,93	3,89

Disbursements—			
Dividend ...	2,30	2,30	2,30
Dividend Rate ...	40%	40%	40%
Other items ...	1,24	79	1,08
Carry forward .	69	84	51
Total ...	4,23	3,93	3,89

THE UNITED INDIA LIFE INSURANCE CO., LTD.

(Established 1906).

Head Office: MADRAS.

Four weeks ago the shareholders of the United India Life Assurance Company met to listen to a review of the year's work, and their satisfaction should have surpassed all previous exceptions since the United India is in a fortunate position to report an appreciable rise in new business during 1937 when companies met with very moderate success so far as expansion in the new business field is concerned. The Directors' report and the accounts record a substantial increase in premium income and the rate of interest earned on investments underwent similar improvement. The general view of the company's progress furnished by the Director's report supports the view that the United India's reputation as one of the soundest of Indian life offices continues to grow. New business topped the crore mark and the 7,715 policies assuring over Rs. 1.22 crores secured during the year constitute a record in the history of the

company. The company now carries on its book life assurance contracts to the value of over Rs. 4.86 crores of which only Rs. 25,000 is subject to reinsurance. The new business premium revenue amounted to Rs. 7.1 lakhs as against Rs. 4.98 lakhs in 1936 and a corresponding increase is shown under total revenue which has risen from Rs. 23.06 lakhs to Rs. 28.41 lakhs in 1937.

The outstanding feature is obviously the 35 per cent. increase recorded under the head of New Business. Such progressive improvement as is disclosed in the company's reports indicates that not only is the appeal of life assurance stronger and more pervasive but that the United India has attained its proper position as an important Indian office with business firmly established in productive fields throughout the country. The revenue account shows that premium revenue for the year amountd to over Rs. 26.15 lakhs. The company's claim experience remained unusually favourable and only Rs. 5.938 lakhs was disbursed in respect of claims by maturity and death. The expenses of management would appear to be on the high side as the total under this head is shown at Rs. 8.38 lakhs. But the year's underwriting results are sufficiently good to permit a substantial addition to the Life Assurance Fund which has increased from Rs. 80.32 lakhs to over Rs. 91.78 lakhs.

The Directors mention that the addition made during the year to the policy-holder's Trust Fund has raised the total to over Rs. 95.78 lakhs at the end of 1937 Since our last review of the Company's position and finances few changes are to be discerned in the balance sheet which discloses a clean and comfortable position. Loans on mortgages and advances on the company's policies amounted to over Rs. 26.41 lakhs at the end of 1937 and investments in Government securities totalled about Rs. 31 lakhs. Against total liabilities of Rs. 1.04 crores shown in the balance-sheet as on December 31, 1937, there were besides the two items mentioned previously nearly Rs. 10½ lakhs in municipal and State securities. A feature that calls for mention here is the increase under buildings and the reduction under fixed deposits with banks in comparison with the previous balance sheet. Cash and bank balances totalling over Rs. 3.94 lakhs are more than adequate to cover the claims outstanding, and it may not be out of place to mention that the distribution of investments as shown in the statement prepared in accordance with clause (*f*), Section 7 of the Insurance Act of 1912 remains remunerative and varied and there is a difference of over Rs. 3 lakhs between the ledger value and market value of the assets for which no credit is taken. The report and accounts confirm general anticipations, and the flourishing condition of this Madras office shows that the vigorous and judicious policy of the Board and the company's officials has served the company well in the last year.

(In thousands of Rs.)

New Business—	1935	1936	1937
Number ...	5,960	6,388	7,715
Amount ...	85,89	90,08	1,22,65
New Premiums ...	4,37	4,47	566
Total Premiums ...	18,71	21,56	26,15
Claims ...	4,86	5,12	5,94
Commission and Expenses ...	6,34	6,38	8,84
Life Fund at the beginning of the year ...	54,86	63,31	76,62
Life Fund at end of the year ...	63,31	76,61	91,78
Net increase in the Fund	8,45	13,31	15,16
Ratio of Expenses to Premium ...	33·91%	31·9%	31·9%

Balance Sheet.

Liabilities—			
Capital ...	80	80	80
Life Fund ...	63,31	76,62	91,78
Investment Reserve Fund ...	5,79	5,79	3,73
Outstanding Claims	2,64	3,02	3,29
Other items ...	5,16	5,74	4,41
Total ...	77,70	91,97	1,04,01

Assets—			
Giltedge Securities	22,50	24,66	29,51
Other Approved Securities	4.15	6,27	10,46
Total approved securities	26,65	30,93	39,97
Percentage of approved securities to Life Fund less Policy Loans ...	50.3	48.3	51.2
Other Investments ...	1,88	1,88	247
Loans on Companies Policies	10,89	12,55	13,68
Mortage Loans ...	12,07	14,44	12,73
Building & House Property	3,95	7,08	13,16
Cash & Deposits ...	16,48	19,07	13,75
Other Assets ...	5,88	13,07	8,25
Total ...	77,70	91,97	104,04

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TO
HAPPINESS

The way to the world of happiness is *via* UNITED INDIA. No matter whether you are seeking your own happiness or that of your wife, son, or daughter; no matter whether you are in affluent or moderate circumstances; UNITED INDIA can furnish, in every case, an equipment that will ensure the attainment of the happiness you are after.

UNITED INDIA
LIFE ASSURANCE COMPANY, LTD.
Established 1906 Head Office : MADRAS

Trustee: The Official Trustee to the
GOVERNMENT OF MADRAS

WESTERN INDIA
LIFE INSURANCE COY., LIMITED
SATARA

A purely Swadeshi Life Office noted for its sound investment policy—economic management and steady growth.

TRIENNIAL BONUS

Whole Life - Rs. 75 } per thousand
Endowment - Rs. 60 } per thousand

MANAGER.

Chief Agents for:
BEHAR, BENGAL AND ASSAM
Messrs. DAS ROY & CO.,
21, Old Court House Street,
CALCUTTA.

HERCULES
INSURANCE COMPANY
LIMITED
(Incorporated in India)

Head Office:
16, HARE STREET, CALCUTTA

Branches:
BOMBAY - MADRAS

FIRE
ACCIDENT
MARINE

Managing Agents:
RALLI BROTHERS Limited

WESTERN INDIA LIFE ASSURANCE

Head Office: SATARA CITY.

(Established—1913)

The Western India Life Insurance Company's reputation has been deservedly high among Indian offices and the 1937 report and accounts show that a satisfactory rate of progress is being maintained. Consistent expansion in the new business field continues to be a feature, and last year, the company issued 5716 policies assuming a total sum of over Rs. 67.85 lakhs, the annual premium income therein being over Rs. 3.69 lakhs. The report confirms anticipations of a considerable advance in revenue and funds. Total premium income rose to over Rs. 18.47 lakhs; investment receipts yielded over Rs. 3.72 lakhs. Claims and surrenders took about Rs. 5.25 lakhs and the expenses of management absorbed nearly Rs. 4.59 lakhs. After providing for income-tax and super-tax, the year's receipts leave a surplus of over Rs. 11.75 lakhs to be added to the Life Assurance Fund which stood at Rs. 82.45 lakhs nearly at the end of 1937.

For its age and position, the results must be deemed gratifying, and the company's adherence to the best methods has contributed to a very satisfactory financial position. The company's investment policy continues to be distinguished by prudence and skill, and the Directors state that the market value of the company's investments on December 31, 1937, exceeded their cost by Rs. 13.37 lakhs.

The list of securities appended to the report as held by the Company shows that the company's investments continue to be selected on merits, and the mixing of railway shares and debentures and public utility companies' preference stocks with giltedged stocks remains a feature calling for favourable comment. The improvement in the year's business, if modest, shows that the Western Indian Company's methods have enabled it to increase its popularity.

The total value of business written by the company at the end of the year exceeded Rs. 3.65 crores, and last year's income amounted to over Rs. 22.7 lakhs. Though the new business last year shows only a small increase on the Rs. 66.4 lakhs worth of new business obtained in 1936, it shows that neither competition nor trade recession affected the Company's progress. The company's sound position is most adequately in the balance sheet which shows that Life and Reserve Funds exceed Rs. 88 lakhs and the total assets of Rs. 95.61 lakhs are made up of investments valued at Rs. 77.86 lakhs, house property less depreciation valued at Rs. 40,624-15 and the new office opened in April, valued at Rs. 3.17 lakhs. There is an increase under the loans made to policyholders but otherwise the composition of the assets column shows little change on the previous year. Liquid assets in the form of premiums due, cash and other balances and interest, etc. due, total over Rs. 31 lakhs. Those familiar with the history and achievements of the company as a hundred per cent. Swadeshi Company know that the goodwill of policyholders has contributed to its steady and uninterrupted progress.

(In thousand of Rs.)

New Business—	1935	1936	1937
Number ...	4,695	5,782	57,16
Amount ...	51,80	66,41	67,85
New Premiums ...	2,71	3,38	3,70
Total Premium ...	13,64	16,11	18,48
Claims ..	2,65	3,54	4,62
Expenses and Commission ...	3,30	4,24	4,59
Life fund at the beginning of the year ...	50,99	60,43	70,69
Life fund at the end of the year ...	60,43	70,69	82,45
Net increase in fund ...	9,44	10,26	11,76
Ratio of Expenses to Premiums ...	24.2%	26.3%	24.9%

Balance Sheet

Liabilities —			
Capital ...	68	68	68
Life fund ...	60,43	70,69	82,45
Reserve funds ...	6,41	6,87	6,85
Outstanding claims ...	1,22	2,10	1,98
Other liabilities	2,97	3,86	4,16
Total	71,71	83,20	95,62
Giltedged securities	6,01	6,01	7,50
Other approved securities ...	12,00	12,87	15,37
Total approved securities ...	18,01	18,88	22,87
Percentage of approved securities to Life Fund *less* Policy Loans ...	33·4%	29·9%	31·3%
Other Investments	42,76	49,37	55,00
Loans on Life Policies ...	6,49	7,50	9,45
Other Loans and Mortgages ...	25	8	28
House Property and Buildings ...	44	44	3,58
Cash ...	75	1,19	77
Other Items ...	3,01	5,74	3,72
Total ..	71,71	83,20	95,62

ZENITH LIFE ASSURANCE CO.

Steady progress is the outstanding feature of insurance business in India in the past year, and it is heartening to note that the medium-sized companies too have secured their due share of the prosperity that can be discerned in the reports appearing in recent weeks. Among such companies, the Zenith Life Assurance Co. of Bombay holds a prominent place and the results for 1937 testify to the increasing popularity it has secured by its enterprise. New business resulted in the issue of 1,804 policies out of 2,020 proposals received, the total value of the sums assured being Rs. 33.47 lakhs compared with Rs. 33.2 lakhs in 1936. The total income improved from Rs. 6,99,138 in 1936 to Rs. 7,56,110-5-6 during the past year, the contribution of premiums received being Rs. 6.67 lakhs of which renewal premiums alone came to Rs. 5.39 lakhs. Payments in respect of claims through death and maturity took Rs. 1,77,817-4 and though certain claims were not satisfied as the papers presented were incomplete or defective full provision therefore has been made in the accounts for the year. The company's income from investments totalled Rs. 73,786-15-9 and rent and miscellaneous items amounted to Rs. 15,581--4. The company's expenses of management inclusive of commissions and directors' fees absorbed over Rs. 3 lakhs and it must be said in truth that the expense ratio still remains on the high side. The high ratio is to some extent the result of increasing competition for new business. One good feature is that no part of the expense incurred for the procuration of new business is to be written off in subsequent years.

The Directors' report details with satisfaction the further improvement in the financial position, particularly, the steady growth of the Life Fund. At the end of the year, the Fund has risen to Rs. 19,74,417-15-11 the advance in income accounting for the increase of Rs. 2,27,346. The revenue account attests the creation of a special Investment Reserve Fund, the initial appropriation being Rs. 5,000 and the balance-sheet records the addition of Rs. 8,479 to the Reserve Fund. The Directors mention that the Company's investments totalled in value Rs. 20,39,260 the principal item being Rs. 14.64 lakhs in Government and municipal securities, so that the proportion of giltedged and approved securities to total assets exceeds the 55 per cent. fixed in the Insurance Act as amended lately.

The balance-sheet of the Company makes a favourable impression, total investments as per valuation on December 31, 1936, and certain items acquired since being shown at cost amounting to over Rs. 13.7 lakhs. Banker's certificates relating to investments held in custody are appended. The balance-sheet discloses a few changes in comparison with the previous year. The value of loans to policyholders has increased to Rs. 1.85 lakhs against Rs. 1.59 lakhs at the end of 1936. Premiums due amount to Rs. 63,886-6 and advances on mortgages and the value of debenture stock held by the company amount together to Rs. 98,000. Depreciation is charged to real property and wasting assets belonging to the company, and their total value is given as Rs. 1,54,095-9-3. The Company's cash balances, amount to Rs. 53,642-12-1.

The principal liability shown in the balance-sheet is the Life Fund of Rs. 19.74 lakhs. The paid-up capital is unchanged at Rs. 50,00 and the reserves total Rs. 26,046. The company's liability in repect of claims intimated and outstanding is shown at Rs. 1,34,395 and the company owes Rs. 27,094-7-6 in respect of expenses. The premium deposits and unpaid dividends raise the total to Rs. 22.39 lakhs nearly. The distribution of the assets as between giltedged securities, real property in Bombay, first mortgage debentures and shares and loans on policies, it may be remarked, is well above expectations. The Directors point out the percentage of investments laid out in trustee investments is 71, that in real property is 11 and only 7 per cent. has gone into mortgages, the remainder being advanced to policyholders on the security of policies within their surrender value.

The year's results are described as fully up to expectations, and the substantial increase in the Life Fund and assets, following the expansion in business and revenue will, doubtless, make a favourable impression. The Zenith, it may be added, has a strong Board headed by Sir Homi Mehta, and the record of the last few years suggests that the Zenith's reputation is steadily rising. The company has shown considerable enterprise and skill in launching new schemes designed to appeal to policyholders, present and prospective. Policyholders and others should feel satisfied after a perusal of the revenue account and balance-sheet for 1937 which go to

show that the Zenith's policy remains sound and that its stability is beyond question.

Something has been said of the vigorous and progressive management that distinguishes the Zenith. We may mention here that the Znith has constituted a local advisory committee to act in concert with its Lahore office. The policy of setting up such local advisory boards should yield valuable results, and it is to be hoped that at other cities where the Zenith has a branch, local committees will assist the organiation and further the interests of the company in every way.

(In thousands of Rs.)

New Business—	1935	1936	1937
No. of Policies ...	1,902	1,909	1,804
Sum Assured ...	33,79	83,21	88,47
Premium on new business ...	1,39	1,33	1,28
Total Premium ...	6,03	6,21	6,67
Claims by death ...	1,01	98	1,18
Claims by maturities	95	6.55	60
Commission and Expenses ...	3,01	8,22	3,88
Life Fund at beginning of year ...	13,52	14,88	17,71
Life Fund at year-end ..	14,88	17,71	19,74
Increase ...	1,36	2,83	2,03
Ratio of Expenses to Premium ...	50·1%	51.1%	49.9%

Balance Sheet

Liabilities—			
Capital ...	50	50	50
Life Fund ...	14,88	17,71	19,74
Reserve Funds ...	78	13	26
Outstanding Liabilities and Claims ...	1,38	1,40	1,77
Premiums Deposits...	11	7	12
Total ...	17,60	19,81	22,39
Assets			
Giltedge Securities ...	9,46	8,38	9,15
Other Approved Securities ..	1,82	4,91	4,91
Total Approved Securities ...	11,28	13,29	14,06
Percentage of Approved securities to Life fund less policy Loans	83.1	68.8	78·6
Other Stock Exchange Investments .	..	1,38	87
Loans on Companies policies	1,31	1,59	1,85
Mortgages and other Loans	10	17	98
Building and House Properties ..		1,56	2,32
Cash	60	56	54
Other Assets ..	4,31	1,26	1,77
Total ...	17,60	19,81	22,39

ZENITH LIFE
SAFETY FIRST
ASSURANCE
CLEAN SERVICE
COMPANY LTD
JUST-FAIR
OF BOMBAY
DEPENDABLE

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

BRITISH INSURANCE COMPANIES

ALLIANCE ASSURANCE CO., LTD.

(Established—1824).

One of the major units in British insurance business, the Alliance, with total funds of over £39.8 millions at the end of the last year more than maintained its position during 1936. The report and accounts for 1936 indicate that the life department remains the biggest branch of the company still and new business alone resulted in the issue of 5,211 policies assuring about £3.8 millions, the premium income from which amounted to over £283,000. The combined Life Account produced a total premium income of over £1.5 million and the Life and Annuity Funds stood at over £25.6 millions at the end of 1936.

As is well-known, the Company's other departments and their separate funds have borne a fair relation to the Alliance's total business. The Sinking Fund and Capital Redemption Account shows a premium revenue of £132,932-8-1 and interest receipts of £81,264-3. The Fund increased to £2.4 millions. In the Fire Branch, premium revenue was £2.15 millions as against £2.1 millions in 1935. Interest receipts, less tax, provided £132,394-14-8. Total disbursements, including expenses, amounted to £1.76 millions and the sum of £387,046-13-4 is transferred to Profit and Loss Account. Premium revenue in the Marine Branch was £343,901-8-10 and claims took £175,588-10-9 and the surplus of £45,070-9-7 from the underwriting account are carried to the Profit and Loss Account. The Marine Fund at £1.09 millions reveals exceptional strength in relation to unexpired risks. The Accident and General Branch with a premium revenue of £1.3 millions against £1.24 millions in 1935 contributed its share to the progress recorded during the year. Claims took £1.1 millions and the Funds at the end of 1936 amounted to £1.26 millions.

The Trustee Department, whose business is growing steadily is, however, kept distinct and the securities are not included in the balance sheet. The Profit and Loss Account closes with a balance of £1.19 millions and the year's dividend of 18 sh. per share of 44 shillings is the same as in 1935. The paid-up capital is shown in the balance sheet as £1 million consisting of 250,000 old shares of £20 (44 shillings paid) and 450,000 new shares (£1 paid). The distribution of the assets totalling £40.67 millions leaves nothing to be desired, and the investments in subsidiaries and loans due from them amount to £748,569 only.

The increase in Reserves and Funds has proceeded uninterruptedly and the proprietors and policyholders are in a position to look back with pleasure on the operations of the Company in 1936. The Alliance results are an outstanding example of the favourable experience of leading British offices in the past year and the very strong position is abundantly illustrated in the table below.

Life Account.

New Business	(In thousands of £) 1934	1935	1936
Number of policies ...	5,070	5,214	5,24
Amount ...	3,590	3,845	3,796
Premiums on New Business ...	174	223	283
Total Premiums ...	1,434	1,470	1,508
Interest, Dividend and Rents ...	881	890	880
Claims by death ...	907	889	963
Claims by maturity ...	612	685	624
Commission and expenses ...	143	146	150
Life fund at the beginning of the year .	22,504	22,786	23,302
Life fund at year end	22,786	28,302	23,830
Increase in fund ...	282	516	528
Ratio of expenses to premium ...	9.9%	9.9%	9·9%

Annuity Account.

(In thousands of £)

	1934	1935	1936
Consideration for annuities granted ...	211	268	314
Interest Dividends and Rents	48	52	56
Annuities paid ...	115	125	144
Commission and expenses	5	8	9
Annuity funds at beginning of the year	1,282	1,411	1,591
Annuity funds at year end	1,411	1,591	1,803

Fire Account.

	1934	1935	1936
Premiums ...	2,057	2,103	2,149
Claims	688	712	830
Expenses	945	936	936
Reserve at 40% of premium income ...	823	841	860
Additional Reserve ...	2,200	2,300	2,400
Total Reserves ...	3,023	3,141	3,260
Ratio of claims to premium	33.5%	33.8%	38.6%
Ratio of expenses to premium ...	45.9%	45.5%	43.6%
Ratio of reserve to premium	146.9%	149.3%	151.8%

Marine Account.

	1934	1935	1936
Premiums ...	334	333	344
Claims	224	184	176
Expenses	104	108	105
Reserve	1,057	1,074	1,091
Ratio of reserve to premium ...	316.4%	322.5%	317.1%
Ratio of expenses to premium ...	31 1%	32.4%	30.6%
Ratio of claims to premium ...	67.1%	55.2%	51.1%

Accident and Miscellaneous Account.

	1934	1935	1936
Premiums	1,205	1,245	1,305
Claims ...	575	602	615
Expenses ...	478	484	502
Reserve ...	1,222	1,234	1,259
Ratio of claims to premium ...	47.7%	48.3%	47.1%
Ratio of expenses to premium ..	39.7%	38.9%	38.5%
Ratio of reserve to premium ...	131.4%	99.1%	96.5%

Balance Sheet

Liabilities—	1934	1935	1936
Capital ..	1,703*	1,703*	1,703*
Funds			
Life ...	22,786	23,302	23,880
Annuity ..	1,411	1,591	1,803
Sinking and capital redemption ...	2,122	2,258	2,397
Fire ...	3,022	3,141	3,260
Marine ...	1,057	1,074	1,092
Accident ...	1,222	1,234	1,260
Reserve fund ...	1,350	1,500	1,650
Other funds ..	638	668	697
Outstanding claims...	933	1,006	1,797
Other items ...	2,058	1,834	1,132
Total	38,078	38,609	39,889

(*Includes capital stock of subsidiary companies).

Assets—	1934	1935	1936
Giltedge securities ..	12,418	12,807	12,807
Debentures and preference shares	7,116	8,152	8,803
Other stocks and shares ...	807	1,106	1,406
Shares in subsidiary companies ..	1,103	1,103	1,103
Loans on company's policies ...	2,097	1,943	17,21
Other loans and mortgages . .	10,092	10,192	10,327
Cash	369	363	458
Other items ...	3,634	3,832	3,264
Total ...	38,078	38,609	39,889

Profit and Loss Account

(In thousands of £)

Receipts—	1934	1935	1936
Brought in ...	1,231	1,220	1,20 5
Transferred from fire account ..	432	435	387
Transferred from marine account ...	91	60	81
Transferred from accident a/c. ...	171	208	223
Other items ...	190	195	1,88
Total ...	2,115	2,118	2,084

Disbursements—	1934	1935	1936
Dividends ...	483	489	485
Transferred to reserve fund ...	150	150	150
Other items ...	262	274	258
Carried forward ..	1,220	1,205	1,191
Total	2,115	2,118	2,084

ATLAS ASSURANCE CO., LTD.

(Established 1808)

Head Office: LONDON.

Bombay Office: DOUGALL ROAD, BALLARD ESTATE.

Calcutta Office: 4, CLIVE ROW.

Holding a position of importance among British insurance companies, the Atlas operates over a large field in the Life, Fire, Marine and Accident branches, though its life business is mainly derived from the British Isles. The results of the operations in 1937 must be deemed eminently satisfactory, revealing as they do solid progress in every direction. The 130th annual report shows that in the Life department new business amounted to £4.6 millions. The total premium revenue amounted to £2.20 millions and the Life and Annuity Fund was raised by £937,756-4-2 to £14,046,618 at the end of 1937. The actuary's valuation showed a surplus of £766,971-0-7 of which the bulk is carried forward. The Fund earned interest at £4-7-10 per cent. after deducting tax and the expenses were equal to 13½ per cent. of the premium income.

The Fire branch's premium income was £1.80 millions and losses totalled £759,609. After providing for expenses and an addition to the Reserve for unexpired risks, the sum of £174,713 is transferred to the Profit and Loss Account.

The Employer's Liability and Accident Department had a premium income of £636,256 and claims of £297,425. After After providing for expenses and adjusting reserves, the Profit and Loss Account receives £51,039. The Marine Branch had a premium income of £153,732 which added to the sum carried down from the previous year made a total of £393,840. Claims took £124,821 and expenses £16,731-11-10. The Fund stood at £251,606.

The Sinking Fund and Capital Redemption Account had an income of £37,771 from premiums and £22,744 from interest. Maturities, surrenders and expenses took £48,994. The Fund at the end of 1937 stood at £707,110.

The Profit and Loss Account shows profits of £384,297 which together with £311,674 brought down and after meeting tax, etc., and paying £170,000 for Dividend. The carry-forward is £326,820. The surplus funds of the company have been consolidated into a General Reserve Fund of £2 millions by the Directors. The total Funds at the end of year were £19.59 millions. These constitute the principal liability of the Company, but the capital of £550,000 is supplemented by reserves, raising the shareholders' portion, to nearly £5.54 millions. The Company's investments, apart from mortgages and loans, are shown in the consolidated balance sheet at £18.86 millions and their distribution conforms to the highest standards. Cash, premiums due, Branch and other balances raise the total to £20.45 millions.

Life Account

(In thousands of £)

New Business—	1935	1936	1937
Policy No.	4,948	5,872	6,264
Sum Assured	8,778	4,606	4,682
Premium ...	98	111	120
Total Premium	1,035	1,120	1,167
Claims by death	245	854	307
Claims by Maturity	201	246	280
Expenses	140	147	158
Life fund at the beginning of the year ...	11,145	12,277	13,109
Life fund at the end of the year ...	12,277	13,109	14,047
Net increase ...	1,132	832	938
Ratio of expenses to Premium ...	13·6%	13.6%	13.6%

Fire Account.

Premiums ...	1,759	1,759	1,802
Claims ...	757	749	744
Expenses and Commission ...	771	780	798
40% of Reserves for expired Risk ...	704	704	721
Additional reserve ...	1,311	1,311	1,311
Total reserve ..	2,015	2,015	2,021
Ratio of claims to Premium .	43·1%	42·6%	41·3%
Ratio of expenses to Premium ...	48·0	43·8%	44·3%
Ratio of reserves to Premium ...	114·7	114.7%	140·[illegible]%

Employers' Liability, Accident and General Insurance Account

Premiums ...	546	588	686
Claims ...	289	280	297
Expense and Commission	220	235	251
40% Reserves for unexpired risks ..	218	235	254
Additional Reserve ...	243	159	171
Total reserve .	461	394	425
Ratio of claims to Premium ...	48·8%	47·6%	46·7%
Ratio of expenses Premium ...	40·3%	39·9%	39·5%
Ratio of reserves to Premium ...	84·4%	67%	67%

Marine Insurance Account.

	1935	1936	1937
Premiums ...	112	127	154
Claims ...	75	99	57
Expenses and Commission ...	13	14	15
Total Reserve ..	408	240	252
Ratio of claims to Premium ...	66·9%	78%	37·0%
Ratio of expenses to Premium ...	11·6%	11·%	9·7%
Ratio of Reserves to Premium ...	364·3%	189·%	163·6%

Sinking Fund and General Redemption Insurance Account.

	1935	1936	1937
Premiums ...	162	85	88
Claims ...	127	61	87
Expenses and Commission ...	2	1	1
Total reserve ..	704	696	707
Ratio of expenses to Premium ...	1.2%	2·9%	2 6·%

Profit and Loss Account.

Balance brought Forward ...	246	349	312
Interest not carried to other accounts (nett) ...	118	124	128
Profit from Fire a/c.	182	175	175
Profit from employers' liability accident and general account ...	39	86	51
Profit from sinking fund and capital redemption a/c. ..	...	.	...
Allocations ...	55	178	120
Dividend ..	176	176	176
Balance carried forward ...	349	812	327
Interest dividend etc.,	84	48	58

Liabilities—

Capital ...	550	559	559
Life Assurance and annuity fund ..	12,276	13,103	14,047
Fire insurance fund ..	2,015	704	721
Employers' liability accident and General Insurance funds ...	461	394	425
Marine Insurance fund	408	240	252
Sinking fund and capital redemption fund ...	703	696	707
Other Reserves ..	416	2,505	2,660
Outstanding claims ...	267	875	261
Other items ...	1,219	645	889
Total ...	18,315	19,319	20,512

Assets—

Investments ...	11,583	11,819	12,204
Mortgages and Loans	2,994	3,101	3,985
Loans on company's policies ...	427	3,81	395
Branch and agents' Balances ..	571	5,80	575
Cash ..	1,076	837	542
Other Items ..	458	868	1,539
House property ..	1,205	1,783	1,272
Total	18,815	19,319	20,512

CALEDONIAN INSURANCE CO., LTD.

The large composite offices operating all over the world have experienced a fairly prosperous year by all indications, and the Caledonian is fairly representative of this class. The oldest of the Scottish offices, established in 1805, the Edinburgh institution according to its 133rd annual report, issued 3,041 life policies assuring over £2.2 millions and yielding a premium income of over £78,000 compared with 2,874 policies for £2 millions in the previous year. The life department's net premium revenue was over £599,000 compared with £571,000 in 1936. 115 annuities granted for a purchase money of £105,509 accounted for a payment of £7,690 per annum. The total payment in respect of claims by death and maturity was over £521,000 inclusive of bonuses and 46 annuity contracts involving £2,878 per annum lapsed through death. Investment income also improved to £311,979 from £308,242 in 1936.

The revenue account shows that expenses totalled a little over £100,000 and the ratio to the premium revenue shows little change on the previous year. After providing for the shareholders' portion of the profits, the addition to the Life and Annuity Fund is £215,630 and the total is over £8,16 millions at the end of 1937.

In the Fire Department, premiums received amounted to £697,499 as against £714,938 in 1936. Claims took £298,273 and expenses absorbed £340,724. Underwriting profits amounted to £65,472 compared with £70,289 in 1936. The Accident branch revenue fell to £514,201 from £521,323. Claims and expenses accounted for an expenditure of £506,088 and the reserve for unexpired risks has been reduced by £2,850. The Profit and Loss account receives £10,963 compared with £16,415 in the preceding year. Premium revenue in the Marine branch totalled £96,785. Claims paid in respect of the year and the preceding one, including ample provision for outstanding and contingent claims, accounted for a disbursement of over £78,431. The Profit and Loss account receives £10,000 and the Marine Fund is left with £173,293 to its credit. The consolidated Profit and Loss account shows receipts of £176,248 which after deduction for taxation amount to £109,983. Added to £154,726 brought down from 1935 the balance at credit is £271,798. The shareholders receive there-

from a dividend at 15s. per share of £1 (the same as in the preceding year) subject to tax, the cost of the same being £88,641. The Staff Pension Fund receives £17,500 and the balance of £171,999 is carried forward.

The Life Department's principal liability is the Fund of £8,16 millions. Claims outstanding account for 62,668 and other items total only about £25,533. The bulk of the assets is distributed in British Government stocks but a substantial portion is invested in railway debenture and preference stocks. The total assets of the Life Branch are shown at over £8,25 millions. The other branches' assets amount to over £3.31 millions, of which about £125,000 is held in cash. The greater portion is, of course, laid out in stock exchange securities and only a very small sum in mortgages. On the liabilities side is a General Reserve of £600,000 (stengthened by £25,000 from 1937 profits) while the paid-up capital is only £155,000 The various Funds account for a total of £2.56 millions and dividends due, various claims and expenses outstanding, are all itemised in the balance sheet. With a total net revenue of over £2.2 millions and Funds securing over £10 millions of the assets, the Caledonian's service is certainly backed by ample security.

Life Account.

(In thousands of £)

	1935	1936	1937
New Business—			
Number of Policies ...	2,475	2,874	3,041
Sum assured ..	1,686	2,039	2,166
Premium on new business ...	63	68	53
Total Premium Income	554	571	599
Interest ...	294	308	312
Claims by death ...	207	237	229
Claims by maturity ...	285	290	293
Commission and Expenses ..	88	90	100
Life Annuity and Contingency Fund at beginning of year ...	7,495	7,742	7,954
Life, Annuity and Contingency Fund at year end ...	7,742	7,954	8,169
Increase in Fund ...	247	212	215
Ratio of expenses to premium ..	15.9%	15·8%*	16.8%

Fire Account.

	1935	1936	1937
Premiums ...	733	715	697
Claims ...	312	3 9	298
Expenses ..	347	442	341
Reserve at 40% of Premium ...	293	285	279
Additional reserve ..	500	200	500
Total reserve ..	73	786	799
Ratio of claims to Premium ...	42.5%	43.4%	42.8%
Ratio of expenses to Premium .	47.3%	47.3%	48.9%
Ratio of reserve to Premium ..	108.1%	109.9%	116.0%

Accident Account.

Premiums ...	9	521	514
Claims ...	5	283	295
Expenses	4	206	211
Reserve at 40% of Premium ...	4	208	206
Additional reserve ...	8	500	210
Total reserve ...	9	408	416
Ratio of claims to Premium ...	55.5%	54.8%	57.4%
Ratio of expenses to Premium ...	44.4%	39.5%	41.8%
Ratio of reserve to Premium ...	100.0%	78.2%	80.9%

Balance Sheet Including Life Department.

Liabilities—	1935	1936	1937
	As at 31st December		
Capital ...	155	155	155
Life Insurance, Annuity and Contingency Fund ..	78,61	8,071	8,169
Fire Insurance Fund	793	786	779
Accident Insurance Fund ...	10	409	416
Employers' Liability Insurance Fund ..	72	...	...
Annuities certain and leasehold Redemption Fund ...	176	166	150
General Insurance Fund ...	330		
Marine Insurance Fund ...	170	174	173
General Reserve Fund	550	575	600
Staff Insurance and Pension Fund ...	...	115	122
Total funds ...	99,62	102,95	10,409
Other items ...	9,28	9,32	1,008
Total ...	11,382	11,045	11,572
Assets—			
Giltedge ...	1,639	1,702	1,790
Debenture and preference shares ...	770	800	768
Equity shares ...	167	105	114
Mortgages and Loans ...	...	...	62
Life assets ...	7,861	8,071	8,258
Other investment and Cash ...	6,12	704	580
Total ...	11,045	11,882	11,572

Profit and Loss Account.

Receipts—	1935	1936	1937
Brought in ...	152	144	168
Transferred from—			
Life account ..	...	6	18
Fire account ...	120	17	65
Accident ...	1	10	11
Marine ...	15	...	10

Employers' Liability Account ...	2	...	...
General Insurance Account ...	20	...	...
Other items ...	24	0	79
Total ...	326	340	346
Disbursements—			
Dividend amount ...	89	89	...
Allocation ...	42	58	57
Other items ...	27	32	11
Carried forward ...	168	168	278
Total	326	340	346

THE COMMERCIAL UNION ASSURANCE CO., LTD.

(Established 1861)

Bombay Office: 9, Wallace St., Fort.

Calcutta: 32, Dalhousie Square

The Commercial Union Assurance Company is one of the biggest insurance companies of not only the United Kingdom but of the whole world. It transacts an immense volume of insurance business over a wide range in almost all parts of the world. In fire and accident insurance business, the Commercial Union has been topping the list of all the British companies for the past ten years and more. The gigantic size of the company can well be gauged by the fact that its paid-up capital amounts to £3.54 million, its general reserve fund amounts to 4.18 million, that its total assets exceed 67 million. The Commercial Union controls, as its name implies, important subsidiary companies like the "Ocean Accident," the "Union," the "British General," the "West of Scotland," the "Edinburgh," the "Hand in Hand" and the "Palatine." Some of these subsidiary companies are very old and powerful by themselves.

The new business of the life department has increased by over £588,000 to 6.34 million while the total premiums show a small rise of £72,000 at 1.92 million owing to the increase in the simple premiums received during the year. The expense ratio continues to be kept at the low figure of 12.8 per cent. The life fund has been increased by over £1.27 million to 26.53 million.

The fire account shows a premium income of £5.45 million showing an increase compared with the 1936 figure. The total premiums received in the fire department in 1937 was 5.45 millions. In 1933 it was £5.41 million, in 1934 £5.37 million and in 1935 £5.27 million which ran close to 5.3 millions in 1936.

The claims have also been decreasing so much so that the claim ratio has been on the decline every year. This year it is 39.5. The reserves of the department at the end of the year stand at £6.96 million or 125.8 per cent. The accident department which is the largest of its general branches, shows an increase in the premium income which stands at 8.17 million. The reserves amount to £5.67 million. In the marine department reserves are being strenthened continuously and the marine fund at £1.2 million, is over 170 per cent. of the premium income as against 197.2 per cent. last year.

As the subjoined table shows, in the field of general insurance, few will dispute the unquestioned primacy of the Company, and its reputation for strength and security is accepted as second to none. In India, as in all parts of the Empire, the Commercial Union's immense strength and service is rightly appreciated.

Life Account.

New Business—

	(In thousands of £)		
	1935	1936	1937
Number of policies issued	7,849	8,238	9,203
Amount assured in Life Department	5,287	5,754	6,342
New premiums in Life Department	2,58	2,18	2,24
Total premiums in Life Department	1,796	1,850	1,921
Interest from Life Department	952	957	9,69
Claims from Life Department	1,437	1,217	1,260
Commission and expenses of Life Department	229	2,37	2,44
Fund of Life Department at beginning of year ...	22,885	23,989	25.259
Fund of Life Department at year-end	23,989	25,259	26,533
Increase in fund	1,104	1,270	1,274
Ratio of expensess to Department	12.8%	12·8%	12·8%

Fire Account.

Premiums	5,266	5,303	5,451
Claims ...	2,064	2,133	2,152
Expenses ...	2,636	2,668	2,413
Reserve at 40% for unexpired risks	2,106	2,123	2,123
Additional reserve	4,828	4,844	4,851
Total reserves	6,934	6,964	7,021

	1935	1936	1937
Ratio of claims to Premium	39.2	40.2%	39·5%
Ratio of expense to Premium	50.3%	50.3%	44·3%
Ratio of reserve to Premium	131.7%	131·2%	128·9%

Marine Account.

Premiums ...	585	610	703
Claims ...	329	356	469
Expenses ...	137	130	128
Reserve ...	1,180	1,203	1,208
Ratio of claims to Premium	56.2%	58·3%	66·7%
Ratio of expenses to Premium	23·4%	21·3%	18·2%
Ratio of reserve to Premium	201.7%	197·2%	171·8%

Accident Account.

Premiums ..	7,609	7,642	8,173
Claims ..	4,130	4,035	4,312
Expenses ...	3,142	3,167	3,257
Reserves ..	5,553	5,671	5,921
Ratio of claims to Premium	5,558	52·8%	52·3%
Ratio of expenses to Premium	51·3%	41·4%	40·9%
Ratio of Reserve to Premium	40·1%	74·2%	72·4%

Consolidated Balance Sheet as at 31st December.

Liabilities	1935	1936	1937
Capital Paid up ...	3,540	3,540	3,540
Reserve & Other Funds--			
General Reserve .	3,882	4,063	4,059
Life Insurance Fund	23.989	25,259	26,51[illegible]
Fire	6.934	6,964	7,021
Marine	1,180	1,20[illegible]	1,208
Accident	5.558	5.671	5,921
Guarantee & Pension	582	682	782
Other Reserve ...	9.384	9,224	9,520
Total funds ...	51,509	53,966	55,044
Claims Outstanding ...	4.104	4,256	4,513
Sundry Liabilities .	3,129	3,210	3,345
Profit & Loss A/c Balance ...	595	591	586
Total ...	62.867	64,663	67,058

Assets			
Fixed Assets ...	2,577	2,534	2,479
Mortgages on property & Loans on securities	701	673	694
Investments ...	53,542	55,547	57,607
Outstanding Balances	3,064	2,976	3,846
Cash	2,988	2,933	2,952
Total	62,867	64,663	67,058

Profit and Loss Account—

Receipts—			
Brought forward	584	595	599
Transferred from Fire account	500	475	575
Marine account	100	100	100
Accident account	225	325	325
Life account	40	40	40
Interests, dividends and rents ...	770	757	746
Other items	56	57	56
Total	2,275	2,349	2,441
Disbursements—	1935	1936	1937
Dividend amount	1,111	1,094	543*
Allocations	320	350	375
Other items	249	306	398
Carried forward	595	599	11,30
Total	2,275	2,349	2,441

Interim Dividend for 1937.

THE GENERAL ACCIDENT, FIRE AND LIFE ASSURANCE CORPORATION LIMITED.

(Established 1885)

Calcutta Office: 8, HARE STREET

Head Office LONDON

To the excellent batch of reports for 1937 provided by the leading British companies, the latest report of the General Accident Fire and Life Assurance Corporation is a worthy addition. Sir Francis Norie-Miller, the Chairman, who has completed 50 years of service for the General, had reason to feel satisfied with the results for the year, indicating a well-defined rise in the net income to over £10.89 million. After appropriations to Reserve Funds and dividend payments, the Profit and Loss account leaves a balance of over £805,866 to be carried forward. In the accounts, the fire, marine and life branches are dwarfed by the accident and general department, which has contributed over £8.7 million of the revenue, and shows both in receipts and outgoings, definite improvement on the preceding year.

The General Reserve Fund was strengthened to £2 millions, and the ample provision was made for unexpired risks and for outstanding claims. The additional reserves in the accident and fire accounts of £450,000 were retained and the Investment Reserve Fund and Exchange Adjustment Fund was maintained at over £373,000.

For the year ending December 31, 1937,

the new life business amountinf to over £2.84 million was slightly below that for 1936. Net premiums amounting to over £575,000 exceeded claims by death and maturity absorbing over £365,120. The Life Fund stands at over £4.9 million showing an increase of over £276,000. In the fire branch, the net premium revenue from new business, less a substantial proportion re-assured, amounted to over £720,813. Losses paid took away over £212,359 and after transfer of £183,213 to profit and loss account, the Fire Fund was raised by over £22,000. The Accident and General Branch provided a premium income of over £8.7 million against £8 million in 1936. Outgoings at 56.94 per cent. compare favourably with 55.66 per cent. paid out on claims in 1936. The Fund at £7.67 million is nearly 90 per cent. of the premium revenue. The Marine account with receipts of over £237,662 against £190,000 in 1936 reflects the general improvement. The Marine Fund was raised from about £168,000 to over £193,000 at the end of 1937, showing a percentage of 81 to the premium income. The balance-sheet discloses a very strong position. The total assets of the General, and its subsidiaries are shown at over £19.6 million, laid out in Government stocks, mortgages and debentures, loans and real property. Special mention must be made of the judicious spread of the funds in other avenues besides giltedge securities. Cash items at over £1.4 million indicate that all liabilities, not included under capital and the respective funds and reserves, are well covered. The report states that the funds inclusive of £1½ million of capital uncalled, now amount to over £19.8 millions. The revenue accounts indicate a very satisfactory position, following the advance in premium income in the fire, marine and accident and general branches and show a balance of over £1 which after the final dividend would make £805.886 and odd available as carryforward.

As stated previously, the increase in the fire, marine, general and life funds, accounted for by the rise in premium revenue and a favourable claim experience, is the main feature of the revenue accounts, and the consolidated balance-sheet presented with the report, which reflects in turn the influence of the improvement in trading results, indicates a position of great strength and stability and supports fully the satisfaction expressed by the Chairman in his speech.

54

Accident Account.

	(In thousands) of £		
	1935	1936	1937
Premium income ..	7,495	8,022	8,745
Claims .	4,230	4,301	4,496
Commission and ... Expenses	2.679	2,888	3,137
40% Reserve ...	3,431	3,595	3,380
Additionl Reserve .	3.035	3,298	200
Total Reserve ...	6,466	6,893	7,658
Ratio of Claims to Premium ...	58·4%	53·6%	51 41%
Ratio of Expenses to Premium ...	35·7%	36·0%	35·9%
Raio of Reseve to Premium ...	86·3%	84·9%	87·6%

Life Account.

New Business—			
Amount ...	2,885	2,851	2,844
Total Premiums...	518	548	575
Claims ...	404	321	365
Expenses and Commission ..	107	110	120
Life Fund at the beginning of the year ...	4,069	4,401	4,666
Life Fund at the end of the year...	4,401	4,666	4,941
Increase in the Life Fund ...	332	265	275

Fire Accoun.

Premiums ...	642	675	720
Claims	207	220	212
Expenses and Commission ...	271	286	303
40% for unexpired risks ...	257	270	288
Additional Reserves	275	334	250
Total Reserves ...	532	604	626
Percentage of Claims to Premiums ...	33.2%	32.7%	29.4%
Percentage of Expenses to Premium	42.2%	42.4%	42.1%
Percentage of Reserves to Premiums	82.9%	89.5%	86.9%

Marine Account.

Premiums ...	164	191	238
Claims ...	138	174	237
Expenses ...	20	18	21
Reserves ...	148	168	193
Percentage of Claims to Premiums	84.1%	91.1%	99.5%
Percentage of Expenses to Premiums	12.2%	9.4%	9 0%
Percentage of Reserves to Premiums	90.3%	87.9%	81.1%

Balance Sheet as at 31st December.

(in thousands of £)

Liabilities—	1935	1936	1937
Capital paid up ...	750	750	750
Funds—			
General Reserve ...	1,700	2,000	2,000
Life Ass. and Anniuty fund ...	4,400	4,666	4,941

Fire Insurance fund ...	531	604	626
Accident and General Insurance fund ..	6,466	6,892	7,651
Marine fund ...	148	168	193
Pension fund ...	358	393	415
Other reserves ...	827	745	796
Total Funds ...	14,430	15,468	16,629
Claimes Outstanding	44	43	61
Sundry liabilities ..	872	1,059	1,264
P. & L A/c balance ...	684	803	962
Total ...	16,780	18,123	19,666
Assets—			
Fixed assets ...	1,568	1,570	1,599
Investments and loans on mortgages etc. ...	12,884	13,870	14,943
Outstanding balances	1,488	1,528	1,675
Cash	890	1,155	1,449
Total	16,780	18,123	19,566

Profit and loss Account as at 31st December.

(In thousands of £)

	1935	1936	1937
Brought forward ...	584	539	644
Interest, Dividends, Rents etc.	278	285	293
Allocations from			
Life Ass. ane Anniuty Account ...	8	...	...
Fire Account ...	129	136	183
Accident and General Account .	265	406	346
General Reserves ...	200	200	...
Other Accounts ...	11	...	...
Other Receipts ...	...	21	13
Total ...	1,420	1,597	1,479
Dividend Amount ...	159	272	275
Allocation to funds including deprecia-tion ...	347	406	69
Taxes and other expenses ...	275	275	330
Carry forward ...	539	644	806
Total ...	1,420	1,597	1,479

GUARDIAN ASSURANCE CO., LTD.

The Guardian is one of the bigger units of British insurance business although it is represented by a single branch in India. The last year proved one of considerable prosperity to the company, and the satisfactory expansion of life and general business shows that the Guardian has maintained its position in the front rank. New life business to the value of £2.37 millions, yielding a premium income of over £80,000 was secured. The value of life business carried on the books exceeded £23.8 millions, and the Life Fund at the end of the year amounted to over £8.5 millions. The expense ratio at 13.7 per cent. is decidedly low.

The Fire branch with premium receipts of £1.12 millions paid out £413 on claims and expenses totalled £539,000. Underwriting profit exceeded £155,809 and the Department Fund at £1.74 million is well over the premium income. The Accident branch, with net premium income of over £1.25 million, net claims amount to £600,000 and the loss ratio was 47.9 per cent. of the premium income as against 51.0 per cent. in 1936. The expenses amounted to 44.7 per cent. of the income. The total funds in the department amounted at the end of the year amounted to £1,037,000. In the marine branch premiums yielded £331,000 while claims took £105,000 and expenses £59,000. The Fund at the end of the year is on a strong basis at £511,000.

Life Account.

New Business—

(In thousands of £)

	1935	1936	1937
No. of policices	2,128	2,199	2,888
Sum assured ...	1,715	2,069	2,016
Premiums on new business ...	51	55	53
Total Premium ..	619	649	672
Claims and annuities	613	505	560
Expenses and Commission	85	90	92
Life Fund at begining of year	7,701	7,848	8,242
Life Fund at year end	7,849	8,242	8,556
Net increase in Life Fund ...	148	394	314
Ratio of expenses to Premium ...	13·7%	13.9%	13 7%

Fire Account

	1935	1936	1937
Premiums ...	1,110	1,137	1,116
Claims	433	431	413
Expenses ...	526	543	539
Reserve for unexpired risks ..	555	568	558
Additional reserves ...	1,100	1,135	1,183
Total reserve ..	1,653	1,704	1,741
Ratio of cialms to premium ...	39 1%	38.0%	37.0%
Ratio of expenses to premiums ...	47.4%	47.8%	48.3%
Ratio of reserve to premiums ...	149.2%	149.9%	156.0%

Accident, Burglary and General Account.

	1935	1936	1937
Premiums ...	1,128	1,185	1,252
Claims	526	605	600
Expenses	532	553	560
Reserve for unexpired risks	508	533	564
Additional reserve ...	480	426	478
Total reserve ...	988	959	1,037
Ratio claims to premiums ...	46·6%	51 1%	47·9%
Ratio expenses to premiums . ..	47·1%	46·7%	44·7%
Ratio reserve to premiums ...	88·1%	80·9%	82·8%

Marine Account

Premium ...	253	273	331
Claims ...	175	196	105
Expenses ...	71	76	59
Reserve ...	471	484	511
Ratio of claims to premiums ...	69·2%	71·7%	31·7%
Ratio of expenses to premiums ...	27·2%	28·0%	17·8%
Ratio of reserve to premiums ..	186·1%	177·3%	154·4%

Balance Sheet as at 31st December

Liabilities—			
Capital ...	1,025	1,025	1,025
Funds—			
Life ...	7,849	8,242	8,556
Fire ...	1,655	1,704	1,741
Accident, Burglary and General ...	938	959	1,037
Marine ...	471	484	511
Redemption Assurance Fund ...	519	573	638
General reserve ...	215	228	217
Total funds ...	12,141	12,735	13,286
Other items ...	2,364	2,225	2,156
Total ...	15,500	15,985	16,467
Assets—			
Giltedge securities ...	5,193	3,821	4,569
Dividend and Preference shares ...	4,901	1,058	4,177
Equity shares ...	818	806	1,217
Loan of life policies ...	332	2,954	324
Other Loans aad mortgages ...	2,577	2,562	3,013
Other items ...	2,688	2,562	2,772
Cash ...	398	383	395
Total ...	15,500	15,985	16,467

Profit and Loss Account

Receipts—			
Brought in ...	153	159	163
Transferred from—			
Fire account ...	152	169	177
Life account ...	...	19	19
General and Accident account ...	95	52	72
Marine account ...	28	23	19
Other items ...	70	37	29
Total ..	498	459	479
Disbursements—			
Dividend amount ...	230	204	198
Allocations ...	70	45	40
Other items ...	39	47	45
Carry forward ...	159	163	196
Total ...	498	459	476

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO., LTD.

(Established 1836)

Head Office: 1, Dale Street, Liverpool.

The report and accounts for 1937 indicate that the 101th year of its history proved to be as satisfactory as the previous one. The company is fortunate in having world-wide connections and has representation in India at Bombay and Calcutta. Mr. Arthur Pattinson, the Chairman, in his speech at the annual meeting observed that underwriting profits and investment earnings in 1936 had been greater than in any preceding year in the company's history. Underwriting results, to which every department contributed, were among the best it had experienced. Total premium income had risen ; new life business contituted a record and the total expense ratio had been lowered.

The revenue accounts for 1937 show that premiums in the Fire branch totalled over £3.9 millions and losses by claims came to £1.59 millions. After transfer of over £422,245 to profit and loss account, the Fund stands at £3.35 millions. In the life branch, the value of 6,201 policies issued during the year was £3.00 millions as against 6,815 policies for £3.34 in 1936. Total premium income was about £981,576 and claims amounted to about £782,142. The Life Fund at the end of the year was over £12.13 millions, and the Annuity Fund was maintained at over £779,100.

Business in the Marine branch expanded slightly and against receipts of over £330,080 by way of premium, there was an outgo of £330,700 in respect of claims. There was a noticeable increase in the Accident and Miscellaneous branch, where the net premium revenue improved to over £4.89 millions. Claims accounted for payments to the extent of £2.32 millions, and after meeting expenses and commissions, the sum of over £491,391 is carried to the profit and loss account. Besides £1.85 million for unexpired risks, the additional reserve is raised from £1 million to £1.25 millions, and the total funds in the branch, are £3.21 millions. Underwriting profits from the various branches are shown at £939,635, and interest not carried to other accounts, provides £427,62. After providing for two dividend payments to shareholders, taxes, etc., the sum of £682,697 is carried for-

ward against £620,016 brought down from 1935.

In all the branches, the funds stand at a very high proportion to the risks covered and the financial strength of the company remains its outstanding feature. The funds of the company, inclusive of the paid-up capital of £1,062,100 amounted to over £25.9 millions at the end of the year and the company's total liabilities are shown in the balance-sheet at over £32.74 millions. On the assets side, over £858,701 is invested in mortgages and £534,593 advanced to policy-holders on the security of their policies. The distribution of the company's funds in Government and municipal securities conforms to expectations, and over £10 millions are invested in railway debenture and preference stocks. Against about £1 million due on claims, there is over £1.6 millions in balances with agents and outstanding premiums. Cash items are over £906,190 and house property is over £5.35 millions.

Life Account

(In thousands of £)

New Business—	1935	1936	1937
Number of policies ..	4,502	6,815	6,201
Amount	2,544	3,346	3,007
New premiums ...	129	143	130
Total premiums ...	884	945	982
Claims	601	633	782
Interest	416	428	443
Commission and expenses	88	94	105
Funds at beginning of the year	10,573	11,088	11,652
Funds at year-end ...	11,088	11,657	12,125
Increase	510	569	473
Ratio of expenses to premium ...	9.9%	9.9%	10·7%
Annuity fund ...	773	774	...

Fire Account.

Premiums ...	3,961	3,910	3,926
Claims	1,588	1,655	1,597
Expenses	1,890	1,854	1,900
Reserves at 40% of premium . .	1,584	1,564	1,570
Additional reserve ...	1,775	1,775	1,775
Total reserve ...	3,559	3,339	3,345
Ratio of claims to premium	40.0%	42·3%	40.7%
Ratio of expenses to premium ...	47.7%	47·4%	48.4%
Ratio of reserve to premium	84·8%	85·4%	85·2%

Marine Account.

Premiums ...	290	294	330
Claims	238	243	331
Expenses	28	28	30
Reserve at 40% of premium	116	118	132
Additional reserve ...	300	300	300
Total eserve ...	416	418	432
Ratio of claims to premium ...	82.1%	82.8%	100.8%
Ratio of expenses to premium ...	9·7%	9.5%	9.1%
Ratio of reserve to premium ...	143.4%	141·7%	130.9%

Miscellaneous Account.

Premiums ..	4,293	4,627	[illegible]
Claims	2,575	2,325	[illegible]
Expenses	1,653	1,760	[illegible]
Reserve at 40% of premium	1,717	1,851	1,959
Additional reserve ...	4,825	5,254	1,250
Total reserve ...	6,542	7,105	3,209
Ratio of claims to premium	60.0%	50.24%	47.4%
Ratio of expenses to premium ...	38.5%	38.0%	40.4%
Ratio of reserve to premium ...	152.4%	153.4%	65.3%

Balance Sheet.

Liabilities—	1935	1936	1937
Capital	1,062	1,062	1,062
4% Perpetual Debenture Stock ...	543	535	524
4% "Thames and Mersey" Debenture Stock	365	363	361
Funds, fire ...	3,359	3,339	3,345
Funds, life ...	11,088	11,657	12,125
Annuity fund ...	773	774	779
Leasehold Redemption Fund	228	254	262
Marine reserve Fund	416	418	432
Miscellaneous Insurance Reserve Fund ..	6,542	7,105	3,209
General Contingencies Fund	2,302	2,323	2,266
Other funds ...	923	916	985
Total funds ...	26,539	27,684	24,288
Other items ...	3,182	3,622	7,392
Total ...	30,783	32,368	32,742

Assets—			
Giltedge	15,057	15,454	14,497
Debenture and Preference shares ...	8,652	8,421	8,590
Equity shares ...	1,384	2,389	3,524
Mortgages and loans	1,567	1,589	1,618
Other investments and other items ...	3,329	3,735	3,607
Cash	794	780	906
Total ...	30,783	32,368	32,742

Profit and Loss Account.

Receipts—			
Brought in ...	597	554	620
Transferred from fire account	488	411	422
Transferred from members Life profits account	26	26	26

Transferred from Marine account ...	21	21	...
Transferred from Miscellaneous Accident account	184	230	491
Interest	443	411	428
Other items ...	...	6	...
Totol ...	1,704	1,659	1,943
Disbursements -			
Dividend amount ...	556	546	533
Other items ...	584	493	727
Carry forward ...	554	620	683
Total	1,704	1,659	1,943

THE LONDON AND LANCASHIRE INSURANCE CO., LTD.

(Established 1861)

Head Office :—London

Calcutta Office :—2, Fairlie Place

Bombay Office:—5, Elphinstone Circle

The London and Lancashire is notable for having carried out horizontal combination in insurance on the largest scale. It has absorbed a large number of subsidiary companies not only in the United Kingdom but also abroad. There are as many as five in the United Kingdom, three in U. S. A., five in Canada, six in Australia and one each in Holland, South America and South Africa. It transacts in its own name all classes of business with the exception of life which is carried on, in the name of "Law Union and Rock" a company acquired in 1919. In India it transacts only general insurance.

The results of the company for the year 1937 are quite satisfactory showing increases in the premium incomes of Accident Fire and Marine branches and good underwriting profits in all the sections. The combined premium income of all the three departments amounted to £6.73 millions. The net combined underwriting profits of the Company for the year amounted to £504,26.

The new business of the life section at £2,606 shows a fall from the last year's figure. The life fund at the end of the year stands at £11.62 million. Generous reserves are provided for in each section ; 126.6 per cent. of the premium income in the Fire Department, 79.2 per cent. of the premium income in the Accident department and 109.5 per cent. of the premium income in the Marine department.

Life Account.

(In thousands of £)

	1935	1936	1937
New Business -			
Amount assured ...	2,455	2,746	2,606
Premiums on new business...	89	76	66
Total premium incom	738	743	747
Interest	406	422	417
Claims by death ...	373	429	453
Claims by maturity ...	398	282	308
Commission and expenses	119	120	120
Life Fund at beginning of the year ...	11,026	11,193	11,473
Life Fund at year-end	11,193	11,473	11,621
Increase	+67	+280	+148
Ratio of expenses to preminm ...	11·5%	16.2%	16%

Fire Account.

	1935	1936	1937
Premium ...	2,812	2,747	2,772
Claims	1,057	1,113	1,079
Commission and Expenses .	1,239	1,234	1,241
Reserve for unexpired risks	1,125	1,099	1,109
Additional reserve ...	2,400	2,400	2,400
Total reserve ...	3,525	3,499	3,509
Ratio of claims to premium ..	38·8%	40·1%	39·4%
Ratio of expenses premium ...	40·5%	44·9%	44.8%
Ratio of reserve to premium ...	125·4%	127·4%	126·6%

Accident and General Account.

Premium	2,189	2,352	2,522
Claims	1,140	1,210	1,324
Commission and Expenses	887	938	992
Reserve for unexpired risks	875	941	1,009
Additional reserve ...	1,000	1,000	1,000
Total reserve ...	1,875	1,941	2,009
Ratio of claims to premium ...	22·5%	51·4%	52·5%
Ratio of expenses to premium	40·5%	39·9%	39·3%
Ratio of res rve to premium cer	85·7%	82·5%	79·2%

Marine Account

Premium	1,041	1,127	1,438
Claims	666	759	1,104
Commission and Expenses ...	183	194	147
Reserve for unexpired risks	416	451	575
Additional reserve ...	1,000	1,000	1,000
Total reserve ...	1,416	1,451	1,575
Ratio of claims to premium ...	63·9%	68·2%	76·7%
Ratio of expenses to premium ...	14·1%	17·2%	10·2%
Ratio of reserve to premium ...	126·4%	128·7%	109·5%

Balance Sheet

Liabilities—			
Capital	1,456	1,456	1,456
Reserve Fund ...	2,000	2,000	2,000
Fire Fund... ...	3,525	3,500	3,509
Marine Fund ...	1,416	1,451	1,575
Accident Fund ...	1,875	1,941	2,009
Staff Pension Fund ...	424	430	434
Life Assurance Fund	11,193	11,473	11,621
Total Funds ...	20,433	20,795	22,604
Balance of Profit and Loss Account ...	2,184	2,461	2,680
Claims and balances outstanding ...	1,934	2,016	2,145
Other items ...	2,221	2,300	2,236
Total ...	28,178	29,028	29,665
Assets—			
Buildings	1,548	1,537	1,564
Giltedge	10,204	14,729	14,553
Debentures and Preference shares ...	9,726	5,920	7,241
Mortgages and Loans	3,019	3,043	92,926
Other Investment ...	1,676	1,619	1,664
Cash	2,005	2,164	1,717
Total ...	28,178	29,028	29,665

MANUFACTURERS LIFE

Insurance companies in Britain and the overseas Empire have experienced an exceptionally prosperous year, and more than one company reports 'records.' The high pitch of industrial activity and the rise in national income, reflected in industrial companies' profits and bank earnings is reflected fully in the expansion of insurance business also. Full confidence in the future of insurance is implied in the increasing appreciation of the services offered, and if other forms of investment betry the influence of current doubts in regard to the outlook, the larger diversion of savings to pay for the benefits promised by assurance continues to be an outstanding feature of the post-War world. Consistent improvement in insurance company results during and after the depression was an experience not confined to Britain, and many Indian companies have already reported a satisfactory rate of growth.

In the insurance field Canada has long enjoyed a very important position and the leading institutions have long transacted business on a world-wide scale. They were well represented in India and their record and connections have secured them a full share in the business available. The Manufacturers' Life Insurance Company of Toronto has long been recognised as one of the strongest among Empire concerns, and the company, which celebrated its golden jubilee last August, has carved for itself an exceptional position, drawing over 6 per cent. of its new business from India. The esteem in which the Company is held in its home country and the territories where it operates can be measured by the figures (given for convenience in rupee equivalents) presented in the 51st annual report. New business secured during 1937 amounted to Rs. 16.48 crores bringing up the total value of business on the company's books to Rs. 152.47 crores. Premium income amounted to Rs. 6.29 crores. Interest and dividends came to Rs. 1.77 crores and miscellaneous items provided over Rs. 75 lakhs. The total income at Rs. 8.8 crores shows an increase of Rs. 39.49 lakhs over 1936. Policyholders' claims in respect of maturity and mortality took Rs. 3.66 crores. The Revenue account shows that commissions and agency expenses amounted to Rs. 72.65 lakhs. Medical fees, etc., to Rs. 27.78 lakhs and office salaries, etc., to Rs. 18.15 lakhs while taxes took Rs. 10.95 lakhs. The year's transactions leave the company with a further addition of Rs. 3.08 crores to the assets. These are now shown to be about Rs. 42.45 crores and the company was able to obtain a gross return of 4.6 per cent. during the year.

The balance-sheet reflects the exceptional strength and conservatism that we have come to associate with the Manufacturers. The Policy and Annuity Reserves amount to over Rs. 35.99 crores. Outstanding claims amount to Rs. 26.88 lakhs and funds on deposit exceed Rs. 1.38 crores. Liabilities in regard to taxes and staff pension funds are Rs. 10.95 lakhs and Rs. 31.91 lakhs respectively. The paid-up capital and the balances accumulated to the credit of shareholders amount to Rs. 65.96 lakhs. The Policyholders' bonus reserve is more than substantial at Rs. 1.26 crores, and there is a contingency reserve of Rs. 57.53 lakhs besides a surplus of Rs. 1.02 crores. On the assets side, the distribution of investments testifies to the exceptional skill and discrimination of the management. Bonds, Governmental municipal and other, take up Rs. 24.38 crores of the assets. Investments in preference and ordinary stocks amount to Rs. 2.08 crores and advances by way of mortgage on real estate, mainly urban, are shown at Rs. 7.12 crores. Loans to policyholders amount to Rs. 5.26 crores, and office property, real estate and options are valued at Rs. 1.73

crores. These are supported by cash balances exceeding Rs. 38.19 lakhs. Eminently characteristic of the Company's conservatism is the fact that certain items lumped under total assets, bringing the total value to Rs. 42.45 crores, are itemised outside the ledger, the assets being valued there at Rs. 40.96 crores. These comprise interest due and accrued, premiums outstanding, and amounts receivable under reinsurance contracts making in the aggregate a sum of Rs. 1.49 crores.

The highly satisfactory results recorded in the report and accounts provided a favourable background to the address of the President of the Board at the annual meeting. Mr. M. R. Gooderham described the great record achieved by the company in its jubilee year, thanks to the expert salesmanship of the staff and field force. The company's experience in the past year was described in detail by the General Manager after the President's speech. Like all heads of insurance companies, Mr. Gooderham made a passing reference to the problem of investment. Admitting that Canadian legislative provisions were calculated to promote security, he remarked that careful selection and supervision under changing conditions remained as necessary as ever, while the guiding principle that safety should never be compromised was again emphasised. The speech also dealt with certain problems relating to taxation and the general business outlook. It is interesting to learn that Canada is keenly conscious of the value of assurance. About 3½ million persons or a third of the total population are insured for 6½ million dollars on which the annual premium payments amount to 200 million dollars or over a sixth of the national income. Such figures convey an impression of the part played by insurance in Canada's life, and the contribution made by the manufacturers Life and other companies to such amazing progress.

Cash Account

(In thousands of Rs.)

Receipts—	1936	1937
Total net premium income ...	5,85,73	6,29 99
Interest and dividends ...	1,73,68	1,76,56
Other items ...	35,97,28	38,66,08
Total	43,56,69	46,72 03
Disbursements—		
Claims by death ...	1,14,18	1,15,98
Other payments to Policyholders .	3,73,83	3,66,37
Commisions and Expenses ...	1,61,74	1,70,69
Dividends to Shareholders ...	4,11	6,16
Other items ...	37,02,83	40,12,88
Total ...	43,56,69	46,72,08

Balance Sheet

Liabilities—	1936	1937
Reserves and other Funds ..	36,09,60	38,36,82
Other liabilities to policyholders ...	68,22	72,82
Surplus ...	91,21	1,02,55
Other items ..	1,67,56	1,82,71
Total ...	39,36,59	42,44,90
Assets—		
Bonds	21,68,58	24,87,91
Preferred & Common Stocks ...	1,64,11	2,08,29
Mortgages ...	7,19,52	7,12,24
Loans on Company's Policies ...	5,28,59	5,26,31
Property ..	1,68,02	1,73,11
Cash	42,24	38,20
Other items ...	1,45,53	1,48,84
Total	39,36,59	42,44,90

NORTH BRITISH AND MERCANTILE INSURANCE CO., LTD.

The North British and Mercantile Insurance Company is one of the best-known British companies operating in India, and last year, we had occasion to remark on the increasing public favour enjoyed by the company both at home and abroad, popularity to which the company's magnificent record contributed in no small degree. This old and famous office, together with its subsidiaries, has experienced another prosperous year and the results presented in the 128th Annual Report are sufficiently impressive to merit the warmest encomiums. The Fire Department obtained more business, pre mium income at £3,561,354 comparing favourably with £3,401,993 in 1936. In the Life Department, though the number of new policies showed a decrease, the premium income was about £42,000 higher than in 1936. But for a new valuation period the year provides a very favourable start, and even according to new modern standards, the

mortality experience was very favour able. Outgoings in respect of claims by death took over £1 million and claims by maturity absorbed £1.4 million. The total income of the life branch from premiums and interest amounted to about £3.68 millions permitting a further increase in the Life Fund to over £31.74 millions. The report shows considerable improvement in Annuity and Sinking Fund business compared with 1936. The Fire Department as usual led the way with an increase of net premiums which totalled over £3.56 million and the net underwritting profit carried to Profit and Loss Account is over £369,000.

In the Accident Department (the Railway Passengers') the net premiums received were £1.35 millions against £1.25 millions in 1936, and the profit and interest obtained was about £248,673. The Ocean Marine subsidiary shared fully in the prosperity and net premium revenue at £297,933 was higher than £236,216 obtained in 1936. Another subsidiary, the Fine Art and General Insurance Comany, derived the benefit of a higher premium income, namely £361,093 as against £347,747 in 1936. An illustration of the traditional Scottish caution is provided in the Directors' decision to recommend payment of a dividend of £519,922 equivalent to 25 per cent. (more than covered by the interest receipts) out of over £2.80 million available in Profit and Loss Account, and the sum carried forward to the next year is over £2.28 millions. The consolidated profit and loss account shows that against £7.09 millions brought in, £6.52 millions are carried forward after dividend, tax, etc., are provided for. Underwriting profits provided over £594,337 plus £67,460 brought in from the life branch, while interest, rent and dividends yielded over £579,596. The consolidated statement of income appended to the accounts shows that fire accident and marine branches provided over £5.57 millions out of the total of £10.9 millions to which interest etc., contributed about £1.98 millions. In 1937, the aggregate income was £10.9 millions, out of which £1.98 million was derived from interest etc. on investments. Separate balance sheets are provided in regard to Life, Annuity and Sinking Fund business and show assets of £32.16 millions, £8.16 millions and £534,000 respectively.

The general balance sheet as on December 31, 1937, inclusive of the items set forth above shows assets which amount to £55.22 millions. In the life balance sheet, except for a reduction in policy loans there is no noteworthy change. There are over £4.53 millions invested in mortgages, over £16 millions are laid out in Government and Municipal stocks, while over £6 millions are held in debentures. In the general balance sheet £2.2 million in British Government securities and £3.5 million in foreign issues constitute the principal features. The principle of diversification is satisfied by the investment of £3.2 million in railway and other ordinary stocks and £1.7 million in railway and other debentures.

The year's results should afford satisfaction since the profit and loss balance had been increased during the year by over half a million. The imposing character of the year's results must enhance the company's reputation, and though Home business bulks largely in the year's accounts, an advance in overseas business, too, may be looked for, in which the company's branches in India should participate. The confidence, which is rightly placed on the North British, should be strengthened by a reading of the report and the prestige which the company enjoys should also increase.

Life Account.

(In thousands of £)

	1935	1936	1937
Number	11,360	11,649	11,044
Amount ...	5,507	5,802	5,809
Premium on New Business ...	255	242	278
Total Premium ...	2,314	2,434	2,527
Interest ...	1,139	1,144	1,154
Claims by Death ...	1,007	1,100	1,002
Claims by Maturity	1,445	1,301	1,410
	1935	1936	1937
Commission and Expenses ...	1	407	4,04
Life fund at beginning of year ...	29,638	30,655	31,091
Life fund at year-end ...	30,685	30,091	31,739
Increase in fund ...	1,052	406	648
Ratio of Expenses to Premium ...	17·1%	16·7%	16·0%
Annuity fund ...	7,280	7,713	8,157

Fire Account.

Premiums ...	3,383	3,402	3,561
Claims ...	1,262	1 399	1,461
Expenses ...	1,652	1,627	16,80
Reserve of 40% for unexpired risks	1,353	1,361	1,425
Additional reserve	2,000	2,000	3,000
Total reserve ...	3,353	3,361	4,425

Ratio of Claims to Premium ...	37·8%	41·1%	41·0%
Ratio of Reserves to Premium ...	99·1%	98·8%	124·3%
Ratio of Expenses Premium ...	49·0%	47·8%	47·2%

"Ocean Marine" Account.

Premiums ...	217	236	298
Claims ...	83	82	90
Expenses ...	29	26	29
Reserve ...	1,183	734	775
Ratio of claims to Premium ...	38·2%	34·7%	30·2%
Ratio of Expenses to Premium ...	38·2%	34·7%	260·9%
Ratio of Expenses to Premium ...	12·9%	11%	9·7%

Fine Art and General Account.

Premiums ...	333	348	391
Claims ...	148	153	167
Expenses ...	139	137	136
40% Reserve ...	133	133	144
Additional Reserve	200	200	200
Total Reserve ...	333	330	344
Ratio of Claims to Premium ...	44·4%	44%	46·3%
Ratio of Expenses to Premium ...	29·4%	39·4%	37·7%
Ratio of Reserve to Premium ...	100·0%	97·4%	95·3%

"Railway Passengers" Account.

Premiums ...	1,212	1,255	1,346
Claims ...	493	540	590
Commission and Expenses	477	497	526
Reserve at 40% ...	485	502	539
Additional Reserve	505	568	619
Total Reserve ...	990	1,070	1,157
Ratio of Claims to Premium ...	40.7%	43%	43.9%
Ratio of Reserve to Premium	81.7%	85.3%	86.0%

Balance Sheet.

Liabilities—

Capital ...	2,438	3,469	3,469
Funds of Life ...	30,685	31,091	31,739
Fund of Fire ...	3,353	3,361	4,425
Sinking fund ...	473	513	584
Other funds ...	9,917	9,248	9,703
Total funds ...	44,433	44,213	46,405
Other items ...	6,331	6,249	3,816
Total ...	53,202	53,931	55,224

Assets—

	1935	1936	1937
Life and Annuity branch Assets ...	38,864	39,353	40,423
Giltedge ...	6,336	6,940	7,284
Debentures and Preference Shares	2,542	2,361	2,203
Equity Shares ...	2,744	2,751	2,721
Mortgages and loans	20	20	20
Other investment and other items	2,159	1,946	2,004
Cash	506	579	614
Total	53,202	53,931	55,224

Profit & Loss Account.

Receipts—

Brought in ...	3,643	3,312	3,598
Transfers from Fire account ...	462	369	357
Transfers from Life Annuity and Sinking Fund ...	...	...	...
Other items ...	...	648	608
Total ...	5,073	4,329	4,563

Disbursements—

Dividend Account	574	584	573
Other items ...	187	147	1,164
Carry Forward ...	3,812	3,598	2,821
Total ...	5,073	4,329	4,563

NORWICH UNION LIFE INSURANCE SOCIETY.

(Established 1808)

Head Office: Norwich.

Calcutta: Grahams Trading Co., Ltd.

Post Box 147.

Striking confirmation of the fact that 1937 was a good year for all good companies is provided by the annual report and account of the Norwich Union Life Insurance Society. This old mutual office which has the distinction of being one of the strongest and best known of British insurance companies has long enjoyed a great reputation at home and abroad, while in India, especially, it has gained a strong position, being well served by the agents, Grahams Trading Company Limited. The year's results redound to the credit of the organisation, for new business resulted in the issue of 17,966 policies for the total value of £11.83 millions with a premium income of £611,911 (including single premiums to the amount of £173,291). Only a small part of the risks accepted was reinsured, and the net value of new business retained was £11.53 million as against £11.09 million in 1936, when new business resulted in the issue of 18,062 policies. In addition to this Leasehold and Capital Redemption insurances completed during the year provided new premiums to the value of £24,110.

The total premium income rose to £366,328 while interest, dividends, etc., at £1,926,200 advanced by £75,370 comparison with the preceding year. The net rate of interest was £4-6-0 per cent. showing a reduction of 1s. 3d. per cent. on the yield in 1936, attributable in part to the high rate of income-tax

and the low yield of investments. From the total income of £6.72 million, outgoings, including provision for every outstanding claim, took £4.137 millions. The difference of £2.580 millions constitutes the increase in the Funds which at the end of the year totalled £47.21 millions.

The mortality experience remained favourable, and payments in respect of 1,314 death claims accounted for an expenditure of £957,602 (including bonus) and £1,709,240 was paid in respect of policies which matured.

The revenue account shows that the Fund at the beginning of the year was £40.56 millions and at the end of the year stood at £42.92 millions after meeting claims commissions and expenses of management. The Annuity Account shows a Fund of £2.509 millions against £2.371 millions at the commencement of the year, but the Capital Redemption Account which showed small decrease from £1.554 millions to £1.542 millions in 1936 has again increased in 1937 from £1.542 millions to £1,618 millions.

The balance sheet shows total funds of £47.05 millions of which about £11.9 millions are invested in mortgages on property in the U.K. and abroad. Loans to policy-holders are shown at £3.25 millions, and the balance is distributed in Government stocks, railway debentures and real property. The shares in the subsidiary, Norwich Union Fire Insurance Society, acquired in 1925 in exchange for securities having a book value of £6.08 millions are shown at cost. Liabilities relating to outstanding claims and sundry creditors are covered by cash items totalling over £384,000. With total assets of over £47.40 millions against £44.75 millions at the end of 1936, the year's operations leave this progressive and famous society in a position of exceptional stability, and its reputation as one of the strongest of British life insurance offices should continue to flourish.

Life and Annuity Account.

(000 omitted £)

	1935.	1936.	1937.
New Business—			
No. of policies ...	16,881	18,062	17,966
Net sums insured ...	10,788	11,091	11,530
Net new premiums ...	433	4,87	426
Life Premiums ...	4,047	4,126	4,366
Consideration for annuities	286	280	301
Interests and dividends	1,758	1,797	1,871
Claims (Life) ...	2,589	2,478	2,667
Annuities paid ...	219	2,82	248
Surrenders (Life) ...	470	4,19	419
Commission and expenses (Life) ...	617	6,45	650
Percentages of expense to annual premiums ...	15.8%	15·6%	14·9%
Life Fund at the beginning of the year ...	36,360	38,450	40,557
Life Fund at the end of the year	38,451	40,557	42,923
Increase in the year ...	2,091	2,107	2,366
Capital Redemption Account—			
Premiums ..	109	109	119
Interest and dividends	54	54	55
Claims ...	71	145	81
Surrenders ...	18	23	10
Commission and expenses ...	7	7	8
Fund at the end of the year ...	1,554	1,542	1,617

Liabilities	Rs.	Rs.	Rs
Life Assurance Fund ...	38,450	40,557	42,923
Annuity Fund ...	2,237	2,271	2,509
Capital Redemption Fund ...	1,554	1,542	1,618
Total Funds ...	42,242	44,470	47,050
Other Items ...	324	284	350
Total	42,566	44,754	47,400
Assets			
Giltedged Securities ...	8,293	8,872	9,451
Other Stocks and Shares	10,175	11,349	12,110
Loans on Compaies policy	3,684	3,561	4,154
Mortgages	11,005	11,485	11,980
Cash	506	384	271
Other items ...	8,903	9,103	9,434
Total	42,566	44,754	47,400

OCEAN ACCIDENT & GUARANTEE CORPORATION

One of the strongest of British Insurance offices, the Ocean Accident and Guarantee Corporation, scarcely needs an introduction to the public of the world. Established in 1871, the Corporation's world-wide organisation has enabled it to tap successfully many oversea territories, and in India, the Company is represented by branch offices at Calcutta, Bombay and other centres. The report for 1937 presented by the Directors to the annual meeting discloses that the Corporation has maintained its position as one of the leaders in accident business, premium income for the year in this branch amounting to £5.02 millions showing a strong recovery after the setback in 1936. The loss ratio proved to be as favourable as in former years, and the total outgo in respect of claims paid and outstanding, amounted to £2.68 millions as against £2.52 millions in 1936. The revenue account of the accident branch shows that commissions and expenses absorbed about £1.97 millions,

the ratio being around previous levels, and the sum transferred to Profit and Loss account is £200,000. The rest of the underwriting profits is used to increase the Fund from £3.51 millions to £3.69 millions. The Fund shows that besides the statutory reserve of 40 per cent. of the premium income, there is an additional reserve of £1.64 millions so that liabilities to policy-holders are comfortably covered.

The fire branch also did well and the premium income at £304,631 and shows a slight rise on the previous year. Claims took £114,242 and the expenses, including commissions, totalled about £121,000. The Fire Fund stands at 581,572 which means that the reserve for unexpired risks is nearly twice the premium income. The transfer of £75,000 to the Profit and Loss Account from this branch, in addition to interest and dividend receipts totalling £197,605 leaves £472,605 to the credit. The dividend for the year takes £300,000 and after providing for tax and depreciation, the sum of £61,177-1-2 is carried to General Reserve.

As the Ocean controls a subsidiary it is best to look at the consolidated, balance sheet presented in the report. The capital is shown at £172,308 and besides the Funds of £4.27 millions there is a general reserve of over £1.12 millions. Claims outstanding are shown at 2.57 million and the total liabilities amount to 9.1 million against which there are investment to the value of 7.01 millions while Freehold Premises at home and abroad are shown at £623,199 Branch and agency balance totalling £807,567 are another credit item and cash on deposit and in hand figures at £518,284. Mention must be made of the fact that the parent company's assets total more than 8.2 million of which the greater part is invested in first-class stock exchange securities, mainly giltedge stocks and railway debentures. The Ocean has long enjoyed a high reputation, and in certain classes of accident business it has occupied a very prominent position. The impregnable position built up by the organisation is fully reflected in the report and accounts.

(In thousands of £'s.)

Accident Account.

	1935	1936	1937
	£	£	£
Premiums	4,746	4,682	5,028
Claims	2,694	2,526	2,684
Expenses	1,890	1,896	1,961
Reserve	3,451	3,516	3,694
Ratio of Claims to Premium	56·8	53.8%	53·4%
Ratio of Expenses to Premium	40·3	40.4%	39·%
Ratio of Reserves to Premium	72·7	75.3%	74·3%

Fire Account.

Premiums	299	295	305
Claims	99	115	114
Expenses and Commission ..	123	119	121
40% Reserve for unexpired risks	120	118	122
Additional Reserve ...	481	469	460
Total Reserves ...	601	587	582
Ratio of claims to Premium	33·1%	39·1%	39·3%
Ratio of Expenses to Premium	40·8%	40·3%	39·7%
Ratio of Reserves to Premium	160·9%	199·0%	150·8%

Profit and Loss Account.

Receipts –			
Interest and dividends	202	194	198
Transferred—			
Fire Account ...	75	75	75
Accident Account ...	140	200	200
Other Items	...	...	...
Total	417	469	473
Disbursements –			
Income-tax paid ...	17	54	83
Provision for Dividend	275	320	300
Balance transferred to General Reserve Fund ...	120	90	61
Other Items ..	5	5	29
Total	417	469	473

Balance Sheet.

Liabilities—			
Capital	172	172	172
General Reserve Fund	1,256	1,296	1,363
Fire Insurance Fund ...	601	587	582
Accident Insurance Fund	3,451	3,516	3,691
Other Funds	27	32	38
Outstanding Losses less amounts recoverable under re-insurances	2,379	2,464	2,578
Other items	602	721	676
Total ...	8,488	8,788	9,100
Assets—			
Giltedged Securities...	3,216	3,508	3,508
Debentures and Stoc7s	3,058	3,002	8,196
Ordinary Shares ..	3	2	313
Mortgages and Loans	1,504	1,520	30
Cash	578	362	511
Other items ...	1,505	1,525	1,324
Total	8,488	8,788	9,100

THE PEARL'S PROGRESS

The reports of the leading British insurance companies are making their appearance and they confirm the general impression that, operating against a generally favourable background in a year of recovery, their activities continued to expand with consequent benefit to their revenues. The results indicate that the increasing public appreciation of insurance continues to assist the progress of insurance in Britain and even more notable is the percolation of the insurance habit to the wage-earning classes. A recent development to which attention must be drawn in this connection is the growth of group life insurance schemes sponsored by employers for the benefit of their work-people who have in this connection enlisted the principal companies to work out such schemes and induced their employees to enter into contracts. America, which has no unemployment benefits provided by the State, experimented with the group insurance scheme for giving unemployment and sickness benefits for employees but Britain, a pioneer in both life and industrial assurance has apparently taken to the group insurance idea for the benefit of those workers who desire something more than the old age pension offered by the State. After all, the latter offers no special inducement to longevity as Mr. Birrell pointed out years ago.

Much interest attaches to British companies' reports as their operations, are on a large scale and their oversea connections considerable so that India has a strong interest in their affairs and experiences. Insurance is synonymous with security and the thrift habit which has taken such firm root in Britain owes much to the enterprise and admirable management of the insurance companies. The widespread realisation of the value of the insurance policy as a medium of investmment and a safe-guard against the risks of premature death, loss of earning power and sickness is largely the result of the appeal made through advertising, and advertising which is blamed for much in this age of hustle and mechanisation and is criticised for encouraging such things as patent medicines of dubious quality, has a very good point in its favour, for it has made the public increasingly insurance-conscious. During the depression, insurance was notable exception to the general falling off in financial and commercial activity, and the exceptional progress made by leading insurance offices in recent years suggests that insurance is a business that is recession-proof. And insurance is apparently a field in which great efficiency is compatible with large scale organisation and expanding business.

The statements of companies available in this country may be taken to illustrate the validity of insurance and there is no doubt that they may be taken as representative. Their reports are certainly records of progress and vigorous expansion and the magnitude of the figures suggest that the impressive results of 1936 have been surpassed in the past year. The Pearl Assurance Company had by all tokens a very good year. New sums assured in the ordinary branch amounted to £8.66 millions and business in the industrial branch amounted to £21.06 millions. The totals reveal a very slight decrease compared with the previous year but as Sir George Tilley stated in his address the total business in the ordinary branch shows a strong rise over the 100 million mark and business continues to be of high quality. Total premium income increased by £424,000 to £15.87 millions and the increase in the industrial branch alone was £355,000 raising the income in that branch to £8,779,000. The rate of interest earned in both branches was over 4 per cent., while the gross yield on the funds was over 5 per cent. The Pearl has made further progress in reducing the expense ratio, the expenses in the ordinary branch being 11.1 per cent. of the premiums and expenses in the industrial branch falling to 29.4 per cent. It may be noted here that policyholders in the industrial branch also qualify for the bonus distribution. Sir George Tilley told the meeting that the company has appropriated over £5¼ millions for industrial branch bonuses. The other branches with the exception of the motor account produced satisfactory underwriting profits, and Sir George took pride in mentioning that the company's annual valuation permitted the declaration of a 2 per cent. bonus on ordinary branch policies entitled to participate in profits. A feature worthy of mention is that the decline in stock exchange values has had little on no effect on investments and the year-end valuation still shows a substantial margin between market value and book value so that no additions to the Investment Reserve Funds are needed. The trading results for 1937 show that the surplus earned in the ordinary branch added to the sum brought down from 1936 leaves £1,424,139. In the industrial branch the surplus in addition to the balance carried down is £2,271,736. The balance sheet

shows, that total assets have risen from £96,522,000 to £102,486,000. Their distribution remains as usual wholly admirable. There is £6.27 million in loans and £34.11 million in British Government stocks. In addition there is £14.5 million in colonial and foreign stocks and £5.7 million in municipal loans. The outstanding feature is a marked rise under ordinary stocks, which have gone up from £3.1 million to £12.55 millions while debentures to the value of £13.93 million and preference shares to the value of £7.03 million show significant rises on the previous year. The Contingency Fund, ordinary and industrial branches investment reserve funds show no change at £300,000, £3.1 million and £3.15 million respectively. As is evident from the figures, the Pearl's strong position has been consolidated and its rapid advance between 1926 and 1937 is generally considered exceptional even among British concerns.

Ordinary branch—

	1936	1937
Surplus earnd during the year ...	1.093,206	1,171,009
Brought forward from previous year ...	249,126	253,130
Total ...	1,347,332	1,424,139
To policyholders' bonus ...	844,881	885,405
To shareholders' account ...	209,000	215,000
To investment reserve fund ...	...	...
To staff pension fund ...	40.318	43,441
Carry forward ...	253,130	280,292
Total	1,347.332	1,424,139

Industrial branch--

Surplus earned during the year ..	1,370,855	1610,387
Carried forward ...	661,349	661,349
Total ...	2,009,935	2,271,736
To policyholders' bonus ...	758,904	785,640
To shareholders' account ...	480,000	550,000
Investment reserve fund ...		
Common contingency fund ...		1'0,000
Staff pension fund...	109,682	145,875
Carry forward ...	661,349	690,221
Total ...	2,009,935	2,009,935

THE PRUDENTIAL ASSURANCE CO., LTD.

Head Office: London.

Calcutta Office: Clive Buildings, Calcutta.

The Eighty-ninth report of the Prudential reveals the impressive progress which one would expect from this leading British institution in a year of such favourable conditions. Total assets have risen at the end of 1937 to £330.4 Millions from £315.9 millions. Total income for the year advanced to £54.63 millions from £52.89 millions in 1936. In the ordinary branch new business resulted in the issue of 99,337 policies assuring £32.46 millions and the number of policies in force exceeded £1,034 million assuring a total sum of over £265.7 millions. The surplus in this branch amounted to over £3.67 millions of which £2.73 million was appropriated to bonus at 46sh. per cent for whole life and 40sh. per cent. for endowment assurances. The industrial branch has gone ahead with 2.44 million policies assuring over £66 million and the total number of policies including free policies was nearly 28 millions and the premium receipts exceeded £22.2 millions. The surplus in the industrial branch amounted to over £6.5 millions of which £4.04 millions was allocated as bonus to policy holders. The expense ratio has undergone further reduction to 22.7 per cent. which is lower than that of most companies.. The Prudential report bears witness to the extraordinary vigour and the immense range of its operations. The

THIS NUMBER
IS
PRINTED AT
ART PRESS
20, British Indian Street, Calcutta

annual valuation discloses a surplus in both branches making possible increases in the appropriations to Contingencies fund the carry forward and share holders bonus account.

The general branch's increasing importance is attested in the growth of the premium revenue to over £2.63 millions. Underwriting profits were lower but interest receipts exceeded the previous year's total. The Prudential's investment policy shows scarcely any change. With assets over £330 millions their distribution is of interest to the Stock Exchanges and investors in general. A glance at the balance sheet shows that compared with 1936 the company's investments in mortgages were less at the end of 1937. A significant feature is the increase under debentures, stocks and ordinary shares while miscellaneous items including property assets have risen from £28.5 millions to over £34.83 millions. The company's amazing growth benefitted shareholders who continued to receive a highly satisfactory return on both the A and B shares. The Prudential's policy enabled it to secure its full share of the prosperity in the country last year and in a single year the assets have risen by nearly £15 millions, and the Company was also fortunate in earning over 88sh. per cent. by way of interest on its funds. Its enomous clientele all over the world must regard the happy combination of size and security as unique and the Prudential's leadership is now conceded by its friends as well as rivals.

Life Account.

(In thousands of £).

New Business—	1937	1936	1935
No. of Policies ...	99,337	106,424	106.32
Amount ...	32,457	30,761	728.745
Premiums ...	13,726	13,230	12.704
Claims ...	11,907	12,172	15.080
Surrenders ...	787	794	880
Annuities ...	904	808	678
Expenses ...	18,351	1,817	1.798
Life fund at beginning of year	115,335	111,558	113.286
Life fund at end of year ...	119,342	115,346	111.555
Increase in fund	4,007	3,788	...
Ratio of expenses to premiums	13.4%	13.7%	44·1%

Industrial Branch.

No. of Policies ...	2,444,651	2,275,325	2.175.212
Sums Assured ...	66,192	59,889	56.515
Premiums ...	22,297	21,456	20.691
Claims ...	10,774	8.746	779.6
Surrenders ...	3,119	3.125	3.284
Expenses ...	5,061	4.892	4.759
Fund at beginning of year ...	176,702	165.548	155.280
Fund at end of year ...	186,196	176.702	165.548
Increase in fund	9,314	11.154	10.268
Ratio of expenses to premium ...	13.9%	22.8%	15.9%

Fire Account

Premiums ...	953	920	924
Claims ...	402	394	427
Expenses ...	445	414	421
40% reserve for unexpired risks	381	368	369
Additional reserve	...	...	480
Ratio of Claims to premiums ...	42.3%	42.8%	46.2%
Ratio of expenses to premium ...	46.7%	45%	45.6%
Ratio of reserves to premium ...	40%	40%	91.9%

Sickness and Accident Insurance

New Business—			
Premiums ...	214	201	186
Claims ...	77	71	58
Expenses ...	78	76	65
40% reserve for unexpired risks	82	77	71
Additional Reserve	139	123	97
Ratio of expenses to premium ...	36.5%	37.8	35%

Employer's Liability Account

Premiums ...	129	86	106
Claims ...	69	48	47
Expenses ...	52	13	47
Reserves ...	150	332	153
Ratio of expenses to premium ...	40.3%	16 3%	44.8%

Marine Account

Premiums ...	98	86	80
Claims ...	71	48	61
Expenses ...	11	13	22
Reserves ...	284	332	311
Ratio of expenses to premium ...	11.2%	16.3%	14.8%

Balance Sheet.

(In thousands of £).

Liabilities—	1937	1936	1935
Capital ...	1,450	1.450	1,450
Life fund ...	119,342	115.346	115,346
Industrial Assc. fund ...	186,196	176.702	176,792
Fire fund ...	381	362	368
Accident fund ...	221	200	200
Employers' Liability fund ...	150	141	141
Marine fund ...	284	332	332
Other insurance funds ...	18,257	5,105	5,108
Outstanding claims	1,611	1,688	1,689
Other Liabilities	2,526	14.597	888
Total	330,416	315,924	302,806

(In thousands of £).

Assets—			
Giltedge Securities	121,684	181,671	126,367
Debentures and Preference shares	81,601	11,052	70,051
Other stocks and shares ...	53,815	34,584	31,268
Loans on company's policies	5,067	5,286	5,913
Other loans and mortgages ...	35,811	43,406	38,796
House Property ...	17,197	16,061	13,486
Cash ...	8,392	3,494	3,704
Other assets ...	7,399	10,370	12,718
Total ...	330,416	315,924	302,303

Profit and Loss Account

Brought forward	1,235	1,189	1,455
Transferred :—			
Ordinary Branch account ...	288	278	265
Industrial Branch account ...	894	879	876
Fire account ...	98	63	69
Accident account ...	46	61	41
Employers' Liability account ..	4	23	..
Motor Insurance account ...	23	23	7
Sinking fund account	53	13	...
Interest ...	...	29	27
Other items ...	101	49	...
Total	2,742	2,532	2,781

ROYAL EXCHANGE ASSURANCE

(Established 1720)

Calcutta Office: 1-2, Old Court House Street Corner.

Bombay Office : Esplanade Road.

It is not surprising that the Royal Exchange Assurance, one of the oldest and best known British insurance companies both at home and overseas has reported a good year, for the general improvement in business conditions has made itself fully felt in the field of insurance. Established in 1720 under Royal Charter, the company ranks among the most famous in the sphere of insurance business and, together with its eight subsidiaries transacts business of varied character though life and accident insurance naturally predominate. The latest report and accounts do not deal with the subsidiaries but relate to that of the Royal Exchange Assurance Company alone. The total premium income in all departments amounted to £10.01 millions. In the Life branch, there was only a small increase in the value of new business secured compared with 1936, though the number of policies was lower at 7065 compared with 7673 issued in 1936. The new business premium revenue amounted to over £198,224. The total premium revenue, after providing for reinsurance premiums, exceeded £1.35 millions, showing an increase of over £100,000 on the preceding year. Interest and dividend receipts totalled over £605,553 and it is noteworthy that the rate of the return on the Life Fund branch receipts was over 4.8 per cent. and the revenue shows an increase of nearly £106,903 on the previous year. Outgoings in respect of claims by death took about £3°3,359 while matured policies resulted in claims for about £397,617. Payments for surrenders took over £101,979 and the expenses of management, amounting to a little over £228,791 was below 17 per cent. of the annual premium revenue. The Life Fund at the end of the year stood at over £13.23 million compared with £12.5 millions at the beginning of the year. The addition to the Life Fund is thus over £700,000.

The annuity and sinking fund accounts show premium receipts of over £183,487. Interest and dividend receipts amounting to about £99,636 also appear in the revenue account. The Annuity Fund stands at over £2.11 millions and the Capital Redemption Fund too is raised to over £437,000 from £420,000 at the beginning of 1937. The trustee and executor branch fees after meeting commission and expenses provide over £12,245 to be transfered to Profit and Loss account.

The general insurance business showed a small increase compared with the marked advance shown in the 1935 report. The net premium revenue in the Fire branch was £1.455 millions compared with £1.41 millions in 1936. Interest receipts less tax provided about £47,971. The loss ratio continued to be distinctly favourable and claims paid and outstanding appear in the revenue account at nearly £557,432. The commission and expense items total nearly £657,500 but the substantial excess of receipts permits the addition of £224,910 to the Profit and Loss account, and the Fund stands at £1.37 millions as against £1.36 millions at the end of 1936.

The total revenue of the Marine branch (inclusive of the premium revenue of £851,312) amounted to over £880,000. Claims accounted for an outgo of over £687,779 compared with £587,000 in 1936 when the premium income was about

£174,000 lower. Expenses, however, were lower at £81,637 compared with £84,856 in 1935. The Fund receives a fair-sized addition and stands at £941,877. Premium receipts for the year in the General and Accident branch totalled over £1.2 millions. Interest on investments (less tax) provides £38,697 for the revenue account. Payments under policies, including legal and medical expenses, took over £712,695 and expenses of management accounted for £480,820. The substantial excess of receipts leaves a profit of over £102,539 to be transfered to Profit and Loss account.

No detailed analysis is required of the Profit and Loss account. The receipts from the various branches added to the share of the sum in the Proprietors' Allocation Account amount to over £362,500 raising the sum brought down from 1937 to over £1.59 million. After providing for the sundry expenses depre ciation, Income Tax and N. D. C the balance is over £1.23 millions. The dividend to the proprietors at 30 per cent. shows no change on the previous year and takes only £213,829-11 a sum which is well below the underwriting profits or the interest receipts shown in the revenue accounts.

Life and Annuity Account

(000-omitted £)

	1935.	1936.	1937.
Number of policies ...	8,712	7,673	7.068
Sums Assured ...	4,564	4,652	4,781
Life Premiums ...	1,194	1 252	1,352
Considerations and Premiums for annuities ...	304	207	183
Interest and dividends	569	499	506
Claims ...	676	698	781
Commission and expenses (Life) ...	222	219	181
Percentage of expenses to Annual Premium	18 6%	17.3%	25.6%
Life Fund at the beginning of the year ...	13,077	11,791	12,505
Life and Annuity Fund at the end of the year	18,672	12,505	13,239
Increase during the year	4,95	714	734

Fire Account.

Premiums ...	1,483	1,409	1,455
Claims ...	570	588	5,57
Commission and expenses	659	645	6,57
Total Reserves ...	1,194	1,193	1,382
Percentage of claims to Premiums ...	38.5	40 5%	38.3%
Percentage of commission and expenses to Premiums ...	44.7%	45.8%	45.2%

General Accident Account

Premiums ...	1,172	1,123	1,205
Claims ..	753	702	713
Commission and expenses	477	457	481
Total Reserves ...	1,421	1,421	1,872
Percentage of claims to Premiums ...	64.3	62.5	59.2%
Percentage of expenses to Premium ...	40.7	40.7	37.9%

Marine Account

Premiums ...	557	659	861
Funds ...	828	831	942

Profit and Loss Account

Brought forward ...	1,118	1,269	1,100
Interest receipts (excluding Life and capital redemption) ...	118	122	113
Shareholder's life profit	215	214	214
Carried forward ...	1,269	1,100	1,231

ROYAL INSURANCE COMPANY

(Established—1845)

Head Office: LONDON.

Calcutta Office: 26 & 27, DALHOUSIE SQUARE.

The Royal Insurance Company occupies an important place among the British offices which have extensive overseas connections. The strong position of the Company has been responsible for its securing its full share of the benefits arising from the improved state of insurance business in Britain and abroad during the past year. The total assets of the company rose to £57.7 millions at the end of the year, compared with £54.64 millions at the end of 1935. Substantial amounts were contributed to the underwriting profits last year by the fire and accident branches which had a premium income of about £5.5 millions each. The Funds are in excess of the departments' premium income and the marine department also is well-placed with a fund of over £1.5 millions as against a premium income of about £800,000. The Profit and Loss Account reveals the full strength of the company. The year's receipts from interest and the branch revenue accounts totalled £2.24 millions, reduced by £917,15.4 only through extra expenses, taxes and transfers to various funds. Added to £1.96 millions brought down from 1935 the total available is £3.28 millions. Provision for debenture interest and dividend takes £1.4 millions and over £1.87 millions is carried forward. The Royal, in association with the Liver-

pool and London and Globe, controls over £73.5 millions of funds and has a premium income of over £28.7 millions. A glance at the balance sheet reveals the impeccable character and admirable distribution of the investments, which are shown at or below cost, and the appreciation in market value is ignored. The dividend for 1936 is the same as in the previous year. The Indian branch, it may be mentioned, is assisted by a local Board which includes Sir Darcy Lindsay and Mr. J. Reid Kay.

Life Account.

(In Thousands of £)

New Business—	1934	1935	1936
Number	7,216	7,657	7,707
Amount	4,650	4,907	4,924
New Premiums ...	271	212	214
Total Premiums ...	1,915	1,915	1,965
Claims	1,357	1,548	1,5810
Expense and commission	255	268	270
Life fund at the beginning of year ...	23,148	23,850	24,373
Life fund at the end of year	23,850	24,373	25,199
Net increase in the fund	702	523	826
Ratio of Expenses to Premiums ...	13·3%	14·0%	13·9%

Fire Account

Premiums ...	5,587	5,735	5,526
Claims	2,361	2,212	2,384
Expenses and Commission ...	2,592	2,637	2,645
40% Reserve for unexpired risks ...	2,235	2,223	2,210
Additional Reserve ...	3,500	3,500	3,500
Total Reserve ...	5,785	5,723	5,710
Ratio of Claims to Premium ...	42.3%	38.5%	42.2%
Ratio of Expenses to premium ...	46·4%	45·9%	47·8%
Ratio of Reserves to Premium ...	102·8%	99·3%	103·3%

Marine Account.

Premiums ...	918	808	702
Claims ...	407	406	209
Expenses ...	204	206	196
Reserves ...	1,481	1,502	1,501
Ratio of claims to Premiums ...	51·4%	50·3%	25.9%
Ratio of expenses to premiums ...	25.8%	25.5%	24·3%
Ratio of Reserves to Premiums ...	187.2%	185.9%	186.2%

Accident and General Account.

Premiums ...	5,137	5,160	5,494
Claims ...	2,755	2,690	2,755
Expenses and Commission ...	2,149	2,164	2,265
40% Reserve for unexpired risks ...	2,055	2,064	2,197
Additional Reserve ..	3,002	3,250	3,500
Total Reserves ...	5,057	5,314	5,697
Ratio of claims to Premiums ...	53.6%	52.1%	50
Ratio of expenses to Premiums ...	41.8%	41.9%	41
Ratio of Reserves of Premiums ...	98.4%	103%	103.3%

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY

(Established 1878)

Head Office: EDINBURGH

Calcutta Office: 6 LYONS RANGE

Bombay Office: 16 BANK STREET

The Scottish Union and National Insurance Company was formed in 1878 by an amalgamation of two companies, the Scottish Union (founded in 1824) and the Scottish National (founded in 1841). It took over the old City of Glasgow Life Assurance Company in 1913. Besides it controls the Maritime Insurance Company Ltd., American Union Insurance Company of New York and the Central Union Insurance Company. It is one of the few foreign companies that does extensive life business in India. The accounts of the year 1937 show remarkable results.

The new business of the life department at 5,464 policies assuring a sum of £4.29 million is again a record figure for the 10th year in succession. The total premiums and the considerations for annuities amounted to £890,000 and the life fund has advanced to £11,839 million.

The fire premiums declined slightly during the year. It is noteworthy that the fire losses have been low in the year under under review. The fire fund stands at £1.396 million or 1.41 per cent. of the premium income.

The total premium income of the miscellaneous branch at £241,124 has slightly appreciated over the last year's figure, the total claims paid were £125,852 and the total expenses of management £103,000. The combined funds stand at £229,915-4-10.

The marine premiums had increased by £60,000 to £386,801-1-4 and the trading results enabled the company to make on

addition £11,690-15-6 to the Fund from this department. The marine fund at the end of the year stands at £399,306 or 122.4 per cent. of the premium income.

The total assets of the company amount to £17.18 million. The Profit and Loss Account shows an available sum of £1.088 millions including a sum of £660,864-2 brought forward from last years account. After the payment of dividends and other allocations a sum of £697,888-18-11 is carried forward to the next year's account.

Life and Annuity Account.

(In thousands of £)

New Business—	1935.	1936	1937.
Number of policies ...	4,342	4,745	5,464
Amount	4,012	4,012	3,849
Premium on new business	108	107	96
Total Premium ...	805	822	822
Claims and annuities	816	981	831
Commission and expenses	154	154	157
Life fund at beginning of year	11,491	11,762	11,834
Life fund at year-end	11,764	11,834	11,884
Increase in fund ...	273	70	5
Ratio of expenses to Premium ...	19.1%	18·5%	19·1%

Fire Account.

	1935	1936	1937
Premium	1,012	998	992
Claims	399	390	399
Expenses	466	467	468
Reserve at 50% of Premiums	506	499	496
Special reserve ...	900	900	900
Total reserve ...	1,406	1,399	1,396
Ratio of Claims to Premium	39.4%	39 8%	40·3%
Ratio of expenses to Premium ...	46.0%	46·8%	47·2%
Ratio of reserve to Premium ...	148.8%	141·1%	140·7%

Accident Account.

Premium	28	24	22
Claims	17	11	10
Expenses ...	11	10	10
Reserve at 50% of Premium	14	12	11
Additional reserve ...	5	5	2
Total reserve ...	19	17	15
Ratio of claims to Premium	60.7%	45.8%	45·6%
Ratio of expenses to Premium ...	39.3%	41.7%	45·6%
Ratio of reserve to Premium	67.8%	90 8%	68·2%

Employers' Liability Assurance.

Premium	56	56	60
Claims	31	36	34
Expenses	22	22	22
Reserve at 50% of Premium	29	29	30
Additional reserve ...	39	38	41
Total reserve ...	68	67	72
Ratio of claims to Premium	55.3%	64.3%	56·7%
Ratio of expenses to Premium ...	39.3%	39.3%	36 7%
Ratio of reserve to Premium	121.4%	119.6%	120·0%

Marine Account.

Premium	309	326	387
Claims	219	229	301
Expenses	63	64	70
Reserve at 50% of Premium	155	63	193
Additional reserve ...	240	236	281
Total reserve ...	395	399	411
Ratio of claims to Premium	70.9%	70.2%	77·8%
Ratio of expenses to Premium ...	20.4%	19.6%	18·1%
Ratio of reserve to Premium	127.8%	122.4%	106·2%

Miscellaneous Account.

Premium	228	230	241
Claims	112	180	126
Expenses	97	98	103
Reserve at 50% ...	114	115	121
Additional reserve ...	92	115	100
Total reserve ...	206	230	318
Ratio of claims to Premium	49.1%	78·1%	52·3%
Ratio of expenses to Premium ...	42.5%	42 6%	42·8%
Ratio of reserve to Premium	90.4%	100%	131·9%

Profit and Loss Account.

Receipts—			
Brought in ...	522	665	660
Transferred from fire account ...	193	194	178
Transferred from Life and Annuity Account ..			164
Transferred from accident account ...			
Transferred from employers' liability account ...			
Transferred from miscellaneous account	7		7
Transferred from marine account ...	30	25	66
Interest, Dividends and sundry receipts	180	77	78
Total ...	985	967	1,088

Dividend amount ...	152	150	149
Allocations ...	40	67	170
Taxes and expenses ...	78	90	74
Carry forward ...	665	660	698
Total ...	935	967	1,088

Balance Sheet as at December 31st.

Liabilities—	1935	1936	1937
Capital paid-up ...	300	300	300
Funds—			
Life Assurance and Annuity ...	11,764	11,831	11,839
	1,406	1,399	1,396
Fire Insurance ..	19	17	15
Accident Insurance ...	394	399	411
Marine ,, ...	500	500	500
General Reserves ...	1,151	1,195	1,394
Total Funds ...	15,234	15,344	15,555
Claims Outstanding ..	203	193	232
Sundry liabilities ...	403	406	397
P. & L. A/c. Balance	665	661	698
Total ...	16,805	16,909	17,182
Assets—			
Fixed Assets ...	436	469	430
Mortgage and Loans ...	2,066	1,740	1,542
Investments .	13,173	13,614	14,096
Outstanding balances	798	764	741
Cash	332	292	373
Total	16,805	16,909	17,182

STANDARD LIFE ASSURANCE COMPANY.

(Established 1825)

Calcutta Office : Standard Buildings,

Calcutta.

While the leading proprietary offices report remarkable progress it is only just to expect that such a fine old mutual life office as the Standard should have registered similar accelerated progress. The period covered by the accounts ended with November 15, 1937, but the figures indicate that the old Scottish office retained its important position in the Brtish insurance world. New business resulted in the issue of 8,006, policies assuring over £4½ millions and group life policies yielded £788,800. Total premium receipts for the year exceeded £2 million and interest and dividends less tax provided over £1.2 millions. The mortality experience was highly favourable and claims by death and maturity took only about £600,000. Expenses including commission amounted to over £307,000 and the only new feature is a transfer of £100,000 to the trustees of the Staff Pension Fund instead of annual transfers for revenue as formely. The Life Fund has risen through the year's operations to £26.53 millions from £25.3 millions. At the 12th annual meeting (a report of which appears on another page) Mr. George Blackwood dwelt upon the 'record' results and a remarkable feature of the speech that deserves mention here is that the company got over 4¾ per cent. on its funds. The annual valuation conducted by the actuary assumed that only 2½ per cent. will be earned by the company in the future, and after providing for the Staff Pension Fund, the surplus available permits the declaration of the compound reversionary bonus of 42sh. per cent. The balance sheet shows a very clean and strong position. Besides the Life and Annuity Fund of £26.53 million, there is the capital redemption fund and annuity fund of £900,157-8-7 supplemented by a Guarantee Fund of £1.7 millions. Among the assets, loans on policies amounting to £1 million and about £15 millions in railway debenture and other stocks call for mention. There is no need to add that over a quarter of the funds are invested in giltedged securities. The Standard has long enjoyed considerable popularity in this country and the report and accounts now available show that policyholders in their choice of the Standard have certainly been justified. The results obtained in 1937 are decidedly flattering and Mr. Blackwood's pride in the progress achieved is borne out by the facts and figures mentioned in his speech.

Year ended 15th November

(In thousands of £)

	1935	1936	1937
No. of Policies issued ...	6,952	7,553	8,006
Ordinary and group Life ...	8	15	24
Capital Redemption Assurances ...	3,123	2,098	2,112
Deferred & Immediate Annuities ...	4,379	4,576	5,180
SUM ASSURED			
Ordinary and Group Life ..	434	868	855
Others	380	280	458
Net Premium on business	1,681	1,808	2,048
Premium Income ...	585	560	665
Claims by death ...	338	311	340
,, ,, Maturity ...	291	298	314
Life and Annuity Funds at beginning of year	25,525	26,760	27,856

Life end Annuity Funds close of the year	26,760	27,856	29,133
Increase in Fund ...	1,235	1,096	1,277
Ratio of expenses to premium ...	17·31%	16 48%	15·88%

Balance Sheet as at 15th November
(In thousands of £)

LIABILITIES—	1935	1936	1937
Life Assurance and Annuity Fund ...	24,264	25,304	26,533
Capital Redemption Assurance and Annuity certain Fund ...	796	852	900
Guarantee Fund ...	1,700	1,700	1,700
Total Funds ...	26,760	27,856	29,133
Claims and annuities Outstanding	241	190	253
Sundry Liabilities	165	118	219
Total	27,166	28,227	29,605
ASSETS—			
Fixed assets ...	430	441	441
Investments ...	23,562	24,050	25,331
Mortgages and Loans on life interests, Reversions and parochial and other public rates	2,557	3,199	3,370
Outstanding Balances	187	221	210
Cash	331	224	163
Other assets ...	99	92	90
Total	27,166	28,227	29,605

SUN INSURANCE OFFICE, LTD.

(Established 1710)

Head Office: London

Calcutta Office: 2, Hare Street

Bombay Office: 24, Bruce Road.

To the distinction of being the oldest insurance office in the world the Sun Insurance Office Limited adds that of being one of the Big Five of British Insurance. Conducting its business in many climes and countries, the Company has a record of continued expansion. The report and accounts for the last year reflect fully the great position the Sun occupies in the world of insurance though business failed to show any increase as in the preceding year. In the fire branch, premium income was over £2.23 millions compared with £2.21 millions in 1936. As against payments of over £980,000 in respect of claims in 1936, payments in 1937 took over £888,146. The substantial excess of receipts resulted in the maintenance of the Fund at over £2.49 millions and the additional reserve was unchanged at £1.6 millions. Although expenses amounted to over £1 million a credit balance of over £370,423 was available for transfer to profit and loss account.

As in the Fire branch premium income in the Accident branch improved slightly compared with 1936 and net receipts were £1.86 million against £1.74 million in 1936. The claim experience was favourable and outgoings amounted to £1.05 million compared with £1.025 million in the previous year. After meeting expenses totalling over £608,000 and maintaining the additional reserve for unexpired risks at £1,600,000 the profit and loss account receives over £370,248.

There was a slight rise in receipts in the Marine branch compared with 1936, premiums in 1937 amounting to over £583,994 against £528,000. Claims absorbed over £467,080 but the expenses were lower at about £58,100 and this branch contributes over £31,770 to the profit and loss account. The fund at over £1,004,504 is substantially in excess of the annual premium income and as in the other branches the additional reserve for unexpired risks is maintained at the level of the preceding year.

The profit and loss account shows receipts of over £583,089 from the fire, accident and marine branches besides a sum of £112,437 not carried to other accounts, raising the amount carried down from 1936 to over £2.16 millions. After providing for dividend, taxes and sundry expenses in addition to appropriations to Staff Pension Fund and £100,000 to Investment and Contingency Reserve Fund, the sum of over £1.495 millions is carried forward against £1.465 millions brought down from 1936.

Changes in the balance sheet as at the end of 1937 in comparison with 1936 reveal slight rises in the accident and fire funds and a rise in the marine fund also. Capital and general reserve are unchanged at £600,000 and £1 million respectively and Investment and Contingency Reserve Fund stands at over £842,012. Besides the Funds, liabilities in respect of claims outstanding, bills payable, expenses and commission, etc. are shown at over £2.6 million, and there are in addition over £165,000 due in respect of Staff Deposit and Widows and Orphans Fund.

The assets column shows investments of over £891,000 in mortgages and about £1.68 million in British Government securities. Over £1.79 million is held in U. S. and foreign government securities, and among the other major items in which the

assets are distributed, are railway and other debenture stocks: £1.82 million; Railway and other ordinary stocks: £1.4 millions and House Property: £1.41 millions. The total value of investments at cost or below is shown at over £8.75 millions.

Fire Account.

(In Thousands of £)

Year ended 31st December.

	1935	1936	1937
Premium income ...	2,293	2,214	2,234
Claims paid and due ...	899	980	888
Expenses	1,069	1,038	1,054
Reserves at 40% for unexpired risk ...	917	886	894
Additional fund ...	1,600	1,600	1,600
Total reserve ...	2,517	2,486	2,494
Ratio of Claims to Premium	39.2%	44.2%	35.8%
Ratio of Expenses to Premium	46.6%	46.9%	17.2%
Ratio of Reserves to Premium ...	109.8%	113.7%	171.6%

Marine Account.

	1935	1936	1937
Premiums income ...	554	528	584
Claims paid ...	452	401	467
Expenses	66	60	63
Reserve	803	821	875
Additional reserve ...	130	130	130
Total fund ..	933	951	1,005
Ratio of Claims to Premium	81.6%	75.9%	79.9%
Ratio of Expenses to Premium	10.9%	11.4%	10.8%
Ratio of Reserve to Premium ...	168.4%	153.6%	172.1%

Accident Account.

Year ended 31st December.

	1935	1936	1937
Premiums	1,854	1,747	1,860
Claims	1,197	1,026	1,002
Expenses	656	641	675
Reserve for unexpired Risks ...	708	674	722
Additional Reserve ...	600	600	600
Total reserve ..	1,303	1,274	1,322
Ratio of Claims to Premium	64.4%	58.8%	53.9%
Ratio of Expenses to Premium	35.4%	36.7%	36.3%
Ratio of Reserve to Premium	70.6%	73.0%	68.9%

Balance Sheet.

As at 31st December.

(In Thousands of £)

Liabilities—

	1935	1936	1937
Capital paid up ...	600	600	600
Funds—			
Fire	2,517	2,486	2,494
Accident	1,308	1,274	1,322
Marine	933	951	1,005
General Reserve Fund	1,000	1,000	1,000
Pension Fund ...	335	349	418
Other Reserves ...	605	710	891
Total Funds ...	6,698	6,770	7,125
Claims Outstanding ...	1,011	1,054	1,157
Sundry liabilities ...	965	986	1,060
P. & L. A/c Balance ...	1,335	1,465	1,495
Total ...	10,609	10,875	11,437

Assets—

	1935	1936	1937
Fixed Assets ...	1,365	1,400	1,413
Mortgages and loans parochial and other public rates ...	447	393	391
Investments ...	6,885	7,857	7,732
Outstanding Balances	1,286	1,256	1,315
Cash	627	469	586
Total	10,609	10,875	11,437

Profit and Loss Account.

As at 31st December.

(In Thousands of £)

Receipts—

	1935	1936	1937
Brought in ...	1,030	1,084	1,217
Transferred from Fire account ...	392	312	370
Accident	69	160	181
Marine	80	81	32
Interest and dividends from subsidiary Companies ...	96	98	112
Other Items ...	2	2	1
Total ...	*1,669	1,737	1,913

Disbursements—

	1935	1936	1937
Income tax and other expenses ..	147	120	165
Allocations to funds ..	187	152	153†
Dividend Amount ...	251	248	249
Carry forward ..	1,084	1,217	1,246
Total ...	*1,669	1,737	1,913

* The totals of Profis and Loss A/c arrived at after some adjustments.

† Includes £50 being depreciation carried to Head Office Premises A/c.

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INSURANCE SECTION

REVIEWS OF BALANCE SHEETS

EMPIRE AND FOREIGN INSURANCE

ALLIANZ UND STUTTGARTER

Head Office: GERMANY.

Bombay: 10, BRUCE STREET, FORT.

One of the best known of German Insurance Companies, the Allianz Und Stuttgarter is one of the few Continental insurance offices with branches in India. The organisation of the Company has been gradually extended in recent years, and the benefit derived from the business revival in Europe are reflected in the balance sheet and accounts. Total business in force continues to improve and life assurance profits, side by side with premium revenue and interest receipts have advanced. The rise under miscellaneous reserves offsets the reduction under Investment Reserve Fund and the reserve for claims pending is also higher at end of 1936. No description of the distribution of assets would leave out of account the highly satisfactory nature of the investments. Higher expenses last year did not affect the undivided policy-holders' profit, and the small increases under claims and surrenders did not cut into the larger receipts under premiums and interest. The magnitude of the Company's resources combined with the skill and experience of the management render the Company's position eminently satisfactory.

Direct New Business— (£000's omitted).

	1934	1935	1936
Total Business in force	275,782	297,949	818,967
Profits on mortality in direct business	830	871	10,20
Total Surplus ...	2,548	26,15	27,25

Liabilities—			
Share Capital ...	1,681	1,681	1,681
Statutory Reserve funds	163	168	164
Net Liabilities ...	46,248	52,645	59,698
Reserves for claims pending	135	169	249
Undivided policy-holder's profit ...	6,027	6,464	6,844
Investment Reserve fund	1,459	1,726	1,580
Miscellaneous Reserves	2,333	2,115	2,853
Revalorisation stock	4,699	4,099	8,568
Other items ...	3,611	4,096	4,597
Total ...	66,801	73,114	80,678
Assets—			
Securities	18,008	21,810	25,448
Bonds of Public Loans on policies bodies	6,217	8,596	10,255
with their surrender values ...	5,731	6,835	7,008
Mortgages	27,153	27,081	27,965
Real property ...	2,836	3,018	8,978
Cash	215	129	142
Other items ...	6,141	6,150	5,887
Total ...	66,301	78,114	80,678
Receipt—			
Balance brought forward	51,941	58,164	65,735
Premiums	12,405	13,478	14,860
Interest, etc. ...	2,854	3,183	3,814
Revalorisation stock	5,744	4,951	4.822
Other items ...	4,869	4,798	4,687
Total ...	77,318	84,519	92,418
Expenditure—			
Claims paid ...	2,644	8,615	8,688
Surrenders ...	1,587	1,178	1,244
Management expenses and commissions	2,634	8,040	8,451
Undivided policy-holders' profit ...	6,027	6,465	6,844
Valuation reserve at end of year ...	46,248	52,645	59,698
Revalorisation stock	5,788	4,951	4,815
Net profit ...	175	141	176
Other items ...	12,265	12,489	18,508
Total ...	77,818	84,519	92,418

THE GREAT EASTERN LIFE ASSURANCE CO., LTD.

(Established—1908)

Head Office: SINGAPORE.

Calcutta Office: 1, ROYAL EXCHANGE PLACE.

The Great Eastern is one of the Empire Companies with growing business in India any by virtue of its intrinsic soundness and the branch organisation in the country has Last year's recovery in the procuration of secured a prominent position among the non-Indian companies doing business here. New business for the year ended 31st December 1937, resulted in the issue of 4,506 policies assuring Rs. 1,52,06,637. The total premium income was Rs. 43,76,311 and the Company's claim experience was decidedly more favourable. The Expense ratio fell from 34.0% in 1936 to 30.5 per cent during the year under review. The growth of the Life Fund in recent years testifies to the strength of the Company and the year 1937 witnessed an increase of over Rs. 18 lakhs. The balance sheet affords evidence of the sound position built up by the company. The Life Fund of Rs. 2.55 crores is supported by a reserve fund of 16 lakhs. A change in the distribution of the Company's assets deserved mention. An increasing proportion of the funds is lodged in Stock Exchange Securities and the advances on mortgages have been reduced. The increase in cash and other assets is evidence of a liquid position and the advances to policyholders are again up. With assets exceeding Rs. 2.8 crores this year, Singapore Company's position remains as satisfactory as before and the rise in funds and income shows that the company has experienced a more prosperous period in the previous year.

(In Thousands of Rs.)

	1935	1936	1937
New Business—			
Number of policies ...	2,751	4,997	4,506
Amount	1,46,80	1,71,63	1,52,07
Total Premiums ...	31,85	41,09	43,76
Interest, Dividends and Rents	10,04	12,58	12,77
Claims	13,55	17,95	19,14
Commission and expenses	10,04	15,84	13,55
Amount of Life fund at the beginning of the year	1,80,41	2,15,52	2,83,21
Amount of Life fund at the end of the year	1,86,43	2,33,21	2,55,06
Increase in fund ...	6,02	17,62	17,85
Ratio of expenses to premium ...	31.5%	34.0%	30.5%
Liabilities—			
Capital	2,65	2,65	2,65
Life fund ...	1,86,43	2,33,21	2,55,06
Outstanding claims	4,86	6 19	6,59
Reserve fund ...	15,89	1,567	15,15
Other liabilities ...	2,42	3,05	3,35
Total	2,11,75	2,60,77	2,82,80
Assets—			
Giltedge securities ...	39,57	65,54	96,25
Preference and ordinary stocks and shares ...	24,16	59,87	69,81
Loans on mortgages	87,12	66,57	49,06
Loans on Company's policies	28,22	30,12	30,47
Cash	2,14	3,28	2,48
Other assets ...	30,54	35,39	34,78
Total ..	2,11,75	2,60,77	2,82,80

SUN LIFE OF CANADA

Impressive may be a feeble adjective to to use in describing the Sun Life of Canada's results for 1937. The sixty-seventh annual report from which a few salient facts and figures are published in this issue bears witness to a fully prosperous year. The world knows that the Sun Life is right at the top among insurance offices, and the magnitude of its business is equalled only by the world-wide character of its services. New business resulted in the issue of 70,798 policies assuring over 250 million dollars and the total value of business carried on the books at end of 1937 exceeded 2,896 million dollars. Similar astronomical figures relating to the company's revenue and claims testify to the size and enduring reputation of the Sun Life—the two words being indicative of its unquestioned eminence in the insurance world.

The financial statement appended to the report is unimpeachable and maintains the tradition for soundness and stability. The policy-holders are protected by a total life fund of about 570 million dollars based on the full net level premium method, and the annuitants can look with satisfaction on a reserve of nearly 133 million dollars. The revenue account shows that total receipts for the year exceeded 163 million

dollars while total disbursements amounted to a little over 103 million dollars. The surplus is applied in the traditional manner to strengthen reserves and to write down assets. The results certainly furnished a cheerful back-ground for the speech of Mr. Arthur B. Wood at the annual meeting. Mr. Wood referred to the distinguished record of the company and the further advance made in 1937 along all fronts. An increase of 120 millions in total business, of 5 millions in income, and a rise of 53½ millions in total assets are good talking points for a company chairman who noted that more and more people come to appreciate the security and service provided by the Sun Life of Canada.

Life Account.

(In thousands of $)

	1935.	1936.	1937.
New Business—			
Amount assured	219,076	219,969	249,536
Premiums on New Business ...	11,880	11,716	13,012
Total Premiums	100,240	110,467	113,207
Interest, Dividends and Rents ...	26,607	29,884	32,194
Total assurance in force ...	2,736,960	2,775,949	2,896,586
Claims by death	21,498	874,025	23,592
Total Claims ...	80,284	77,489	76,203
Expenses and commission ...	16,612	16,670	16,779
Life fund at the end of year ...	605,364	652,939	702,648

Balance Sheet.

Liabilities—			
Capital	2,000	2,000	2,000
Life and Annuity fund ...	605,364	652,939	702,648
Other funds	11,151	33,907	15,383
Claims, surrenders etc. and unpaid	9,949	10,048	8,009
Other liabilities	78,588	7,8910	85,133
P. & L. a/c Balance	...	...	18,118
Total ...	707,052	777,804	8,31,291
Assets—			
Giltedge Securities	218,464	310,201	369,300
Preference and other stocks ..	291 293	277,593	262,635
Loans on Company's policies ...	91,922	87,332	87,357
Other loans and mortgages	27,556	29,381	32,775
Property ...	29,663	30,242	25,049
Outstanding and deferred premiums ...	17,052	16,974	18,041
Cash ...	21,132	16,187	25,984
Other assets ...	9,156	9,870	10,140
Total ...	707,052	777,794	831,291

NEW ZEALAND INSURANCE CO., LTD.

(Established 1859)

The New Zealand Insurance Company is one of the largest foreign insurance companies doing business in India with branches at Calcutta, Bombay and Rangoon. Besides its home territory, the Company is well represented in Australia, America, South Africa and the Far East. The Company's position as disclosed in the report and accounts for 1937 leaves little to be desired. Total Premium revenue in the Fire, Marine and Accident branches amounted to £359,994. Underwriting profits for the year at £395,214 after appropriation for taxes, and provision for unexpired risks etc.

The high reputation of the Company is fully sustained by the balance sheet. The paid-up capital of £1.5 millions is supportad by reserves totalling over £1.61 millions. The Company's assets totalling over £3.782 millions are well invested. Over £2.18 millions are in the Government and Municipal stocks. Freehold purchases and investments in shares are shown at about £549,319 and the cash balances amounted to. £135,670.

The Company conducts a Trustee and Executor Branch whose growing prosperity is well indicated by the fact that nearly £5.7 millions belonging to various estates were administered by the branch as also over £.7 millions held on account of debenture-holders.

Underwriting Account

(In thousands of £)

	1935-36	1936-37	1937-38
Fire, Marine and Accident Premiums ...	1,097	1,186	1,360
Appropriated for Taxation	40	40	40
Reserve for Unexpired Risks	531	554	598
Total	1,668	1,780	1,998
Commissions, Salaries, Directors' Fees and other Expenses ...	294	298	311
Government Taxes and Appropriations and Payments of Fire, Marine and Accident Associations ...	52	54	53
Fire, Marine, and Accident Losses and Appropriations for Unadjusted Losses ...	632	706	824

Appropriation for Taxes	40	40	40
Reserve for Unexpired Risks at 31st May, 1934	554	599	685
Balance	96	83	86
Total ...	1,668	1,780	1,998

Balance Sheet.

Liabilities—

Capital	1,500	1,500	1,500
Reserve Fund ...	550	600	650
Reserve for Unexpired Risks	554	599	686
Reserve for Unexpired Contingencies ...	154	169	272
Reserve for Unexpired Investment fluctuation	69	89	
Other items ...	312	368	404
Balance	241	250	270
Total ...	3,380	3,575	3,782

Assets—

Giltedge and other Securities ...	2,025	2,186	2,209
Mortgages and deposits	175	111	70
Shares	370	406	535
Office Premises and other properties ...	463	482	549
Interest and Rents ...	40	45	45
Branch and Agency Balances etc. ...	186	225	238
Cash	121	113	136
Total ...	3,380	3,575	3,782

POPULATION STATISTICS

AREA AND POPULATION OF PRINCIPAL COUNTRIES

Countries	Area in Square Miles	Latest Census year	MALES (In Millions)	FEMALES (In Millions)	Total population
India	1,805,332	1931	181·9	171·1	353·0
Australia	2,974,581	1932	3·4	3·2	6·6
Union of S. Africa (Whites only) ...	472,347	1931	·9	·9	1·8
Canada	3,729,665	1931	5·4	5·0	10·0
Great Britain and North Ireland ...	94,663	1931	22·1	24·0 ...	46·1
United States of America	2,973,776	1930	62·1	60·6	122·8
Brazil	3,275,510	1920	15·4	15·2	30·6
Mexico ...	767,198	1930	8·1	8·3	16·4
China ...	4,278,352	1932	......	......	474·8
Japan ...	147,592	1930	2·4	32·1	64·5
Germany ...	181,723	1931	31·4	33·3	64·7
France ..	212,659	1931	......	......	41·8
Italy ...	119,713	1931	20·1	21·1	41·2
Soviet Russia (U.S.S.R.) ...	8,241,921	1926	71·0	76·0	147·0

Infant Mortality

Death Under One Year for 1,000 Living Births

Countries	Annual Average between 1921-25	Annual Average between 1926-30	1929	1930	1931	1932	1933*
(British) India ...	192	177	178	180			
Union of S. Africa (White population only)	73	67	64	67	65	59	60
Canada ...	98	93	92	89	85	...	...
Australia ...	58	52	51	47	42	41	39
United Kingdom ...	78	70	76	63	68	68	66
U. S. A	74	68	68	65	62	59	58
Japan	159	137	142	124	132	118	...
Germany ...	122	94	96	85	83	79	76
France	95	89	95	78	76	76	75
Italy	126	119	125	106	113	.	.

* Provisional figures

Annual Rate of Excess of Births for 1,000 Inhabitants

Countries	Annual Average between 1921-25	1926-30	1929	1930	1931	1932	1933*
British India	6·7	9·0	8·8	8·3	9·5		
Union of S. Africa... ...	17·4	16·4	16·7	16·7	16·0	14·4	14·4
Canada	16·2	13·0	12·2	13·2	13·1	12·5	...
Australia	14·4	11·7	10·7	11·3	9·5	8·3	7·9
United Kingdom	8·0	4·9	3·1	5·1	3·8	3·5	2·4
U. S. A.	10·7	7·9	7·0	7·6	6·7	6·5	..
Japan	12·8	14·1	12·9	14·2	13·2		13·8
Germany	8·8	6·6	5·3	6·4	4·8	4·3	3·5
France	2·1	1·4	0·2	2·4	1·1	1·5	0·5
Italy	12·4	10·8	9·1	12·6	10·1	9·2	10·0

* Provisional figures

Annual Birth Rate for 1,000 Inhabitants

Countries	Annual Average between 1921-25	1926-30	1929	1930	1931	1932	1933*
India (British only)	32·7	33·2	32·7	32·9	34·3	...	
Union of S. Africa	27·1	26·1	26·2	26·4	25·5	24·3	23·7
Canada ...	27·4	24·1	23·5	23·9	23·2	22·4	
Australia ...	23·9	21·0	20·3	19·9	18·2	16·9	16·8
U. S. A. ...	22·5	19·7	18·9	18·9	17·8	17·4	
United Kingdom	20·4	17·2	16·7	16·8	16·3	15·8	14·9
Japan ...	34·6	33·4	32·7	32·4	32·2	32·9	31·6
Germany ...	22·1	18·1	17·9	17·5	16·0	15·1	14·7
France ...	19·3	18·2	17·7	18·0	17·4	17·3	16·3
Italy ...	29·7	26·8	25·6	26·7	24·9	23·8	23·5

*Provisional figures

Anual Death Rate for 1,000 Inhabitants

Countries	Annual Average between 1921-25	1926-30	1929	1930	1931	1932	1933*
(British) India	26·0	24·2	24 0	24·8	24·8	...	...
Union of South Africa ...	9·7	9·5	9·5	9·7	9·5	9·9	9·3
Canada	11·2	11·1	11·3	10·7	10·1	9·9	...
Australia	9·5	9·3	9·6	8·6	8·7	8·1	8·9
United Kingdom	12·4	12·3	13·6	11·7	12·5	12·3	12·5
U. S. A.	11·8	11·8	11·9	11·3	11·1	10·9	10·0
Japan	21·6	19·8	19·8	18·2	19·0	17·7	17·8
Germany	13·3	11·6	12·6	11·1	11·2	10·8	11·2
France	17·2	16·8	17·9	15·6	16·3	15·8	15·8
Italy	17·3	16·0	16·5	14·1	14·8	14·6	13

*Provisional figures

The Population of Indian Provinces and States as per Census of 1931 and 1921

(Population in millions)

	1931 Census			1921 Census		
	Total	Males	Females	Total	Males	Females
Assam	8·6	4·5	4·1	7·5	3·9	3·6
Bengal	50·1	26·0	24·1	46·7	24·2	22·5
Bihar and Orissa	37·6	18·8	18·8	34·0	16·8	17·2
Bombay	22·2	11·7	10·5	19·3	10·2	9·2
Burma	14·7	7·5	7·2	13·2	6·8	6·4
Central Provinces and Berar	15·5	7·8	7·7	13·9	6·9	7·0
Madras	46·7	23·1	23·6	42·3	20·9	21·4
Punjab	23·6	12·9	10·7	20·7	11·3	9·4
U. P.	48·4	25·4	23·0	45·4	23·8	21·6
Baroda	2·4	1·3	1·0	2·1	1·1	1·0
Gwalior	3·5	1·9	1·6	3·2	1·7	1·5
Hyderabad	14·4	7·3	7·1	12·5	6·4	6·1
Kashmir	3·6	1·9	1·7	3·3	1·8	1·5
Mysore	6·6	3·4	3·2	6·0	3·1	2·9
Cochin	1·2	·6	·6	1·0	·5	·5
Travancore	5·1	2·6	2·5	4·0	2·0	2·0
Total British India ...	277·7	140·1	131·6	246·9	126·8	120·1
Total States and Agencies ...	81·2	41·9	39·3	72·1	37·2	34·9
Total Indian Populations ..	358·0	181·9	171·1	318·9	164·0	54·19

Population of the Indian Cities.

	Population in 1931	Population in 1921
Ajmer-Merwara—		
Ajmer	119,524	113,512
Bengal—		
Calcutta Proper	1,196,833	1,077,264
Howrah	222,488	195,301
Dacca	138,518	119,450
Bihar and Orissa—		
Patna	158,230	119,976
Bombay—		
Bombay	1,157,851	1,175,914
Ahmedabad	310,000	274,007
Karachi	260,639	216,883
Poona	163,100	214,796
Sholapur	185,632	119,581
Burma—		
Rangoon	400,415	345,621
Mandalay	144,899	148,917
C. P. and Berar—		
Nagpur	215,033	145,193
Jubbulpur	124,469	108,793
Delhi—		
Delhi	447,442	304,420
Madras—		
Madras	667,228	526,911
Madura	182,007	138,894
Trichinopoly	141,640	120,422
Salem	102,181	52,244
N.-W. Provinces—		
Peshawar	121,866	104,452
Punjab—		
Lahore	429,747	281,781
Amritsar	264,840	160,218
Multan	119,457	84,806
Rawalpindi	119,284	101,142
United Provinces—		
Lucknow	274,659	240,566
Cawnpore	243,755	216,436
Benares	205,315	198,447
Agra	229,764	185,532
Allahabad	183,914	157,220
Bareilly	144,031	129,459
Meerut	136,709	122,609
Moradabad	110,562	82,671
Baroda State—		
Baroda	127,327	94,712
Central India Agency—		
Indore	127,327	93,091
Hyderabad State—		
Hyderabad	877,006	404,187
Jammu and Kashmir—		
Srinagar	173,649	141,735
Mysore—		
Bangalore (including Civil and Military Station)	306,865	237,496
Rajputana Agency—		
Jaipur	144,179	120,207

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